

Original Application

Open Arms Care
Corporation

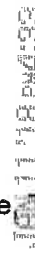
CN1801-004



State of Tennessee

Health Services and Development Agency

Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884



CERTIFICATE OF NEED APPLICATION

SECTION A: APPLICANT PROFILE

1. Name of Facility, Agency, or Institution

Open Arms Care Corporation d/b/a Shelby County #4
Name

Macon Road
Street or Route

Shelby
County

Cordova
City

Tennessee
State

38018
Zip Code

Website address: http://www.openarmscare.org

*Note: The Facility's name and address **must be** the name and address of the project and **must be** consistent with the Publication of Intent.*

2. Contact Person Available for Responses to Questions

Michael D. Brent
Name

Attorney
Title

Bradley Arant Boult Cummings LLP
Company Name

mbrent@bradley.com
Email address

1600 Division Street, Suite 700
Street or Route

Nashville
City

TN 37203
State Zip Code

Attorney for Project
Association with Owner

615-252-2361
Phone Number

615-252-6361
Fax Number

NOTE: **Section A** is intended to give the applicant an opportunity to describe the project. **Section B** addresses how the project relates to the criteria for a Certificate of Need by addressing: Need, Economic Feasibility, Contribution to the Orderly Development of Health Care, and Quality Measures.

Please answer all questions on **8 1/2" X 11" white paper, clearly typed and spaced, single or double sided, in order and sequentially numbered. In answering, please type the question and the response.** All questions must be answered. If an item does not apply, please indicate "N/A" (not applicable). **Attach appropriate documentation as an Appendix at the end of the application and reference the applicable Item Number on the attachment, i.e., Attachment A.1, A.2, etc. The last page of the application should be a completed signed and notarized affidavit.**

3. SECTION A: EXECUTIVE SUMMARY

A. Overview

Please provide an overview not to exceed three pages in total explaining each numbered point.

- 1) Description - Address the establishment of a health care institution, initiation of health services, bed complement changes, and/or how this project relates to any other outstanding but unimplemented certificates of need held by the applicant:

Response: Founded to address the needs of those moving out of large, state-run institutions, Open Arms Care Corporation, a Georgia nonprofit corporation ("Open Arms"), has 32 eight-resident homes, or Intermediate Care Facilities for Individuals with Intellectual Disabilities ("ICF/IID"), located in or near Chattanooga, Knoxville, Memphis, and Nashville, Tennessee and 9 four-resident ICF/IID homes in or near Chattanooga, Knoxville and Greeneville, Tennessee. Please see Attachment A.4 for a list of facilities operated by Open Arms in Tennessee. Through provider agreements with TennCare, Open Arms has been providing community-based facilities for individuals with intellectual and developmental disabilities for almost 30 years. This project proposes the relocation of the eight individuals in the Applicant's 8-bed ICF/IID facility located at 5380 Benjestown Road, Memphis (Shelby County), Tennessee 38127 to a newly constructed 8-bed ICF/IID facility in Shelby County, Tennessee. The Applicant leases the current facility from WCO AL DP, LLC ("WCO"), a non-profit housing organization that provides affordable and special needs housing. Please note that the Applicant does not know and has no input as to what WCO will do with the home in which the current facility is located if this application is approved. The Applicant proposes relocating the aforementioned 8 clients to a two-parcel lot consisting of approximately 3 acres, one parcel of which is currently addressed as 8949 Macon Road, Cordova, Tennessee while the adjacent parcel does not currently have a separate street address. The lot is located in Shelby County, Tennessee and is also described as two separate parcels, being Parcel 091019 00010 and Parcel 091019 00011 in the records of the Shelby County Tax Assessor. The proposed location is approximately 24.9 miles, or 36 minutes, from the current location of the ICF/IID facility. As a replacement facility, this project will not affect the number of ICF/IID beds in Shelby County. The Applicant currently has no outstanding but unimplemented certificates of need.

The facility will be built in a "duplex" configuration, with each half consisting of a one-story, fully accessible family homes of approximately 2,800 square feet, each with four bedrooms, combination living/dining room, kitchen, laundry, office, and associated storage areas. Each half will each have two large, fully accessible bathrooms, one half bath, and a residential sprinkler system. An 8-bed ICF/IID duplex style configuration provides the same services as two separate 4-bed ICF/IID homes, and is intended for the more medically fragile residents served by the Applicant.

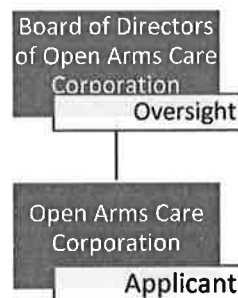
Depending on the resident and his or her medical needs, residents will receive assistance meeting hygiene requirements, specialized dietary services, physical therapy, and assistance with activities of daily living, as well as physical, occupational, and behavioral therapies. A resident's acuity level determines whether or not required physical therapy or occupational therapy takes place in the facility or in a different location. The overall goal is to provide the combination of an environment and services that will enrich their quality of life and sense of community. A typical day for a resident of an ICF/IID home begins with personal hygiene activities and breakfast, followed by programming such as habilitation and active treatment (physical therapy, vocational therapy, socialization, etc.), sometimes at a day center if prescribed in the resident's ISP. The habilitation care model for most Open Arms Care Corporation ("Open Arms") clients is to leave the residential facility on weekdays to attend habilitation and therapeutic programming according to an individual plan of care. This gives clients a more normalized routine akin to school or work attendance. The Applicant's day treatment facilities have special program enrichment spaces for therapies, which include but are not limited to, physical, occupational, recreational, social, family, artistic, hydro and Snoezzelen, where clients are placed in a soothing and sense-stimulating

environment, therapies that are not available in the group homes. Clients are generally at the day program for five to six hours each day.

The Applicant will be providing care to several medically fragile residents, who tend to require more hours from registered and licensed practical nurses. The Applicant will equip the proposed facility with wheelchairs required to facilitate some clients' mobility in addition to items such as positioning boards. The Applicant, however, notes that a client's changing condition or a new admission could require the Applicant to have equipment similar to that found in skilled nursing facilities such as hospital beds, wheelchairs, respirators, incubators and tube feeding equipment.

2) Ownership structure

Response: As shown in the chart below, Open Arms is a Georgia nonprofit corporation with no ownership shares or membership interests and is board-managed. Open Arms is owned by neither another entity nor by individuals. Instead, Open Arms has a board of directors, which consists of six individuals, who oversee the entity's affairs. Note that, unlike some multi-facility providers, each facility operated by Open Arms is operated directly by Open Arms, without the use of subsidiary entities. Please see the chart below illustrating solely the operation of Open Arms. Though Open Arms is a Georgia nonprofit corporation, the board of Open Arms is considering converting to a Tennessee nonprofit corporation. If the ultimate decision is to make such a conversion, a new Tennessee nonprofit corporation would be created and the existing Georgia nonprofit corporation would be merged into it, with the result being that Open Arms would be a Tennessee corporation. The laws of some states allow a simpler



process whereby a non-nonprofit corporation can change its domicile from one state to another, but that is not currently allowed for transitions from a Georgia to a Tennessee corporation.

3) Service area

Response: The service area is Shelby County, Tennessee.

4) Existing similar service providers

Response: Open Arms is one of only a few ICF/IID providers in Tennessee, and the only such provider currently serving Shelby County.

5) Project cost

Response: As shown on the Project Cost Chart, the total cost is \$5,130,000, due to the requirements that the cost be based on the total lease costs over a 30 year period. However, the actual cost of the land, site improvements, and construction is less than half of that amount.

6) Funding

Response: As shown on the attached funding letter, Servis1St Bank will be the lender for the project, and has a long relationship as a lender for Open Arms projects.

7) Financial Feasibility including when the proposal will realize a positive financial margin

Response: As shown on the financial projections, as a relocation of exiting services, with existing residents, the project is anticipated to have positive financial results upon opening.

8) Staffing

Response: The Applicant currently employs a full staff at the facility to be relocated, as well as 7 other similar facilities in Shelby County. It is anticipated that all such staff members will transfer from the current facility to the replacement facility.

B. Rationale for Approval

A certificate of need can only be granted when a project is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of adequate and effective health care in the service area. This section should provide rationale for each criterion using the data and information points provided in Section B. of this application. Please summarize in one page or less each of the criteria:

1) Need

Response: The intent of this application is to relocate 8 individuals who currently reside in an Open Arms facility in Shelby County (the "Residents") to a new facility that the Applicant will construct if this Application is approved. The Residents' current home is a traditional wood frame residential home that was constructed almost 30 years ago and is no longer sufficient for the needs of Residents and staff. Having been in use for almost 30 years, it has become evident that staffing and Residents' equipment needs over this period have far exceeded the expected use for such structures, which are reminiscent of conventional family use houses. While the Applicant has maintained good conditions for compliance and safety, the structure experiences wear and tear commensurate with such lengthy use which results in ever increasing repair and maintenance costs as the structure continues to age.

The proposed construction of a new facility is also in response to Residents' increased acuity. The Applicant must meet the increased needs of aging long term Residents as well as new admissions with higher levels of acuity in a facility that was not built with such individuals in mind. The Applicant wants to construct homes with floorplans, materials and technologies with the higher level of care required by these Residents in mind, as the Applicant did with clients admitted in connection with closure of Green Valley Development Center. The Applicant's current facility is also located in a neighborhood that has experienced a substantial shift in character since the facility opened. Residents will therefore also benefit from a more suitable, less commercial neighborhood. Finally, impending changes to the fire safety code will require substantial expenditures to retrofit the current facility with sprinkler, electrical and alarm upgrades, and, given the age and undesirable location of the current facility, the Applicant finds it more prudent to begin to transition residents to a new facility constructed pursuant to the new requirements and modern technology instead of spending substantial sums on the current facility. As with most of the Applicant's facilities in similar circumstances, the proposed relocation and construction of a new facility is part of the Applicant's long term plan to do the same with its other aging ICF/IID facilities.

2) Economic Feasibility

Response: The facility's estimated cost of construction is shown on the attached exhibits. Please see Section C, Economic Feasibility, for additional information about costs for land, site preparation, and other costs. The project financing will include a commercial loan to the Landlord (please see Attachment B – Economic Feasibility – B) that will be sufficient to purchase the land and construct the new facility.

Because of the Applicant's extensive experience serving individuals with intellectual and developmental disabilities and its solid working relationship with DIDD, the Applicant believes that, in addition to being economically feasible, this project will build upon lessons learned building other ICF/IID homes in recent years, enabling it to continue to better residents' quality of life.

3) Appropriate Quality Standards

Response: With almost 30 years of experience providing community-based facilities for individuals with intellectual and developmental disabilities, the Applicant is well-versed in what is required to ensure quality services are provided to residences and that its facilities successfully undergo agency surveys with few to no violations. Further, the Applicant current and shall continue to meet all standards imposed on it by licensing and regulatory boards to which it is subject.

4) Orderly Development to adequate and effective health care

Response: The proposed relocation will not result in an unnecessary increase in use of healthcare services as the number of individuals currently served in Shelby County (provided the Applicant remains the sole ICF/IID facility provider) will not change as a result the approval of this Application, as current recipients will just be moved to a new location. Further, approving this Application ensures that residents are receiving care provided in modern setting, in a home constructed with what are likely much more robust disability accessibility requirements, reflecting a deeper understanding of the challenges faced by the disabled and the ways in which homes can be modified in response. The more modern floorplan of the new facility will also assist in meeting the healthcare needs of the residents.

C. Consent Calendar Justification

If Consent Calendar is requested, please provide the rationale for an expedited review.

A request for Consent Calendar must be in the form of a written communication to the Agency's Executive Director at the time the application is filed.

Response: A letter addressed to the Agency's Executive Director containing the Applicant's request to be added to the Consent Calendar and the justification for an expedited review is attached hereto as Attachment A-3C. To summarize, this Application does not seek to add any ICF/IID beds; rather, it proposes relocating existing ICF/IID beds following construction of a new ICF/IID facility to benefit residents and the community. If the request for Consent Calendar is approved, the Applicant will request that the application be heard in April with similar applications, if approved for Consent Calendar as well, and anticipated to be submitted by the Applicant in April.

4. SECTION A: PROJECT DETAILS

A. Owner of the Facility, Agency or Institution

<u>Open Arms Care Corporation</u>		<u>(615) 254-4006</u>
Name		Phone Number
<u>6 Cadillac Drive, Suite 350</u>		<u>Williamson</u>
Street or Route		County
<u>Brentwood</u>	<u>Tennessee</u>	<u>37027</u>
City	State	Zip Code

B. Type of Ownership of Control (Check One)

A. Sole Proprietorship	_____	F. Government (State of TN or	_____
B. Partnership	_____	Political Subdivision)	
C. Limited Partnership	_____	G. Joint Venture	_____
D. Corporation (For Profit)	_____	H. Limited Liability Company	_____
E. Corporation (Not-for-Profit)	<u>X</u>	I. Other (Specify) _____	_____

Attach a copy of the partnership agreement, or corporate charter and certificate of corporate existence. Please provide documentation of the active status of the entity from the Tennessee Secretary of State's web-site at <https://tnbeartn.gov/ECommerce/FilincSearch.aspx>. **Attachment Section A-4A.**

Describe the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% ownership (direct or indirect) interest.

Response: Founded to address the needs of those moving out of large, state-run institutions, Open Arms Care Corporation, a Georgia nonprofit corporation ("Open Arms" or the "Applicant"), has 32 eight-resident homes or, Intermediate Care Facilities for Individuals with Intellectual Disabilities ("ICF/IID"), located in or near Chattanooga, Knoxville, Memphis, and Nashville, Tennessee. Please see Attachment A.4 for a list of facilities operated by Open Arms in Tennessee. In addition, Open Arms has recently opened 9 four-resident homes in Greene, Knox and Hamilton Counties (pursuant to CONs approved by the HSDA in 2016), to help satisfy the need for such facilities as a result of the closure of Green Valley Development Center in East Tennessee. Open Arms has no owners or members and is governed by a six-person board of directors consisting of Robert Taylor (Chair), Jane Buffaloe, Mary Ellis Richardson, Sandy Wybel, John Crawford and Cherrie Clark.

In 1988, founding board members of Open Arms identified the need to build community facilities for individuals who were moving out of large, state-run institutions for individuals with intellectual and developmental disabilities in the state of Tennessee. Certificate of Need applications were submitted and approved and Open Arms Care (then known as Rebound Care Corporation) began offering services once it was approved for 256 beds across the state

of Tennessee. (Source: <http://openarmscare.org/our-history>.) Through provider agreements with TennCare, Open Arms has been providing community-based facilities for individuals with intellectual and developmental disabilities for almost 30 years. Open Arms has no ownership shares or membership interests and is board-managed. Please also see Attachment A-4A.

5. Name of Management/Operating Entity (If Applicable)

Integra Resources, LLC

Name

1222 16th Avenue South, Suite 300

Street or Route

Davidson

County

Nashville

City

Tennessee

State

37212

Zip Code

Website address: Not Applicable.

For new facilities or existing facilities without a current management agreement, attach a copy of a draft management agreement that at least includes the anticipated scope of management services to be provided, the anticipated term of the agreement, and the anticipated management fee payment methodology and schedule. For facilities with existing management agreements, attach a copy of the fully executed final contract. Attachment Section A-5.

Response: Please see Attachment A-5. Please note that the management agreement is specific to the lease agreement such that a new management agreement will be executed if the application is approved, though the only differences between the current management agreement and the proposed management agreement will be the term length and monthly fee. Integra Resources, LLC ("Integra") manages all of Open Arms' ICF/IID facilities, which are listed in Attachment A – 4 of the application, and is equally owned by SMI Group, LLC and Flatrock Investors, LLC. In turn, SMI Group, LLC is equally owned by George Stevens and Jeff Mastroleo, while Flatrock Investors, LLC is equally owned by Joseph Torrence and Richard Brown. The only relationship between Open Arms and Integra is the parties' existing contractual relationship for management of Open Arms' facilities. Further, Jeff Mastroleo, Joseph Torrence, Richard Brown, and George Stevens do not have ownership interests in, or governance positions with respect to, Open Arms.

George Stevens, Jeff Mastroleo, Joseph Torrence, and Richard Brown have directly applicable experience in areas including healthcare operations, affordable housing operations, financing and management, government service in the areas of mental health and affordable housing, and executive-level management of healthcare providers. More information about Integra's principals is included in Attachment A-5.

6. A. Type of Ownership of Control (Check One)

- | | | | |
|-------------------------|-------|--------------------|----------------|
| A. Ownership | _____ | D. Option to Lease | _____ <u>X</u> |
| B. Option to Purchase | _____ | E. Other (Specify) | _____ |
| C. Lease of _____ Years | _____ | | |

Check appropriate line above: For applicants or applicant's parent company/owner that currently own the building/land for the project location, attach a copy of the title/deed. For applicants or applicant's parent company/owner that currently lease the building/land for the project location, attach a copy of the fully executed lease agreement. For projects where the location of the project has not been secured, attach a fully executed document including Option to Purchase Agreement, Option to Lease Agreement, or other appropriate documentation. Option to Purchase Agreements **must include** anticipated purchase price. Lease/Option to Lease Agreements **must include** the actual/anticipated term of the agreement **and** actual/anticipated lease expense. The legal interests described herein **must be valid** on the date of the Agency's consideration of the certificate of need application.

Response: The Applicant has an option to lease the building and the land upon which the building will be located from Facilities Development Group, LLC ("FDG"). FDG has no relationship with Open Arms, other than contractual relationships. Those include the Development Agreement between FDG, as developer, and WCO, which purchased the Green Valley Facilities from FDG and leased them to Open Arms. Please note that WCO and Open Arms have no relationship beyond a contractual relationship in which Open Arms Care Corporation operates all of its current facilities pursuant to leases from WCO of the associated buildings and land. WCO is not involved at all in the proposed project. The proposed project will create a contractual relationship between FDG and the Applicant for the facility which is the subject of this application, and seven similar facilities in Shelby County, Tennessee which the Applicant also plans to replace. After FDG has acquired and financed the land pursuant to the contract attached as Attachment A-6A and then arranged the construction and financing of the proposed facility via a construction loan from Servis 1st Bank, Open Arms will then have an option to lease the completed, fully furnished facility from FDG pursuant to the lease agreement referenced in the Option to Lease. Please see Attachment A-6A for copies of the deed of the current owner, the purchase agreement between the current owner and FDG, the Option to Lease, and an illustration of the transactions between the parties.

6B. Attach a copy of the site's plot plan, floor plan, and if applicable, public transportation route to and from the site on an 8 1/2" x 11" sheet of white paper, single or double-sided. DO NOT SUBMIT BLUEPRINTS. Simple line drawings should be submitted and need not be drawn to scale.

1) Plot Plan must include:

- a. Size of site (in acres);
- b. Location of structure on the site;
- c. Location of the proposed construction/renovation; and
- d. Names of streets, roads or highway that cross or border the site.

Response: Please see Attachment A-6B-1 for a plot plan. The proposed location is close to the road and observes all setback requirements. The site is approximately 3 acres and is presently zoned "R-6" or Residential Single-Family -6, which allows conventional single family homes and supportive living facilities. Please note that TCA §13-24-102 provides

that, for the purposes of all zoning laws in Tennessee, a "single-family residence" includes any home in which eight or fewer unrelated persons with disabilities reside. Therefore, the facility complies with the zoning of the proposed location.

The proposed location meets the distance requirement prohibiting more than two ICF/IID facilities from being within 500 yards of other ICF/IID facilities, as the nearest licensed ICF/IID is 13.6 miles away as illustrated in the table below. With respect to the 500 yard setback requirement from other ICF/IID's in Tennessee Code Annotated 33-2-418 (a), though the Applicant proposes another facility nearby, as long as the two proposed facilities are the only facilities within 500 yards of each other, which they would be, both facilities would be in compliance with the 500 yard requirement.

Distance Between Proposed Location and Other Shelby County ICF/IID's

Facility Name	ICF/IID Facility Address	Miles
Allendale Drive Home 1 - Memphis	4695 Allendale Drive, Memphis, TN 38128	13.6
Allendale Drive Home 2 - Memphis	4707 Allendale Drive, Memphis, TN 38128	13.6
Benjestown Home 1 - Memphis	5350 Benjestown Road, Memphis, TN 38127	25.0
Benjestown Home 2 - Memphis	5380 Benjestown Road, Memphis, TN 38127	24.9
Greendale Home 1 - Memphis	1445 Greendale Avenue, Memphis, TN 38127	19.5
Greendale Home 2 - Memphis	1457 Greendale Avenue, Memphis, TN 38127	19.5
Raleigh Millington Home 1 - Memphis	4240 Raleigh Millington Road, Memphis, TN 38128	14.5
Raleigh Millington Home 2 - Memphis	4254 Raleigh Millington Road, Memphis, TN 38128	14.4

- 2) Attach a floor plan drawing for the facility which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. On an 8 1/2 by 11 sheet of paper or as many as necessary to illustrate the floor plan.

Response: Please see Attachment A-6B-2 for a floor plan identifying the kitchen, living/sitting room (which will also serve as a dining space), pantry and emergency generator. There will be no outdoor storage, as there will be storage space in the garage. Please note that the "duplex" will consist of two structures with layouts that mirror the attached floor plan, with each half of the duplex style structure being self-sufficient (as to kitchen facilities, etc.) The garage of each half will be side by side and there will be a connecting walkway.

Based on its understanding of the reimbursement rates of 4-bed and 8-bed homes and TennCare's concern about containing ICF/IID cost, the Applicant decided that a dual structure 8-bed is more appropriate than 4-bed homes for the proposed replacement project. As noted above, 8-bed homes are more cost-effective than 4-bed homes. Additionally, as a TennCare provider with established costs, the Applicant wanted to maintain the current economics of the Medicaid system as much as possible. The Applicant's proposal that the 8-bed facility consist of two 4-bed structures with identical floor plans is due to the aging and acuity of residents driving needs for private bedrooms.

- 3) Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

Response: The facility generally will not be open to the public. Access for individuals housed at the site will be supervised by the facility's staff. Families of these individuals will have access to the facility from U.S. Interstate 40 ("I-40"), which is approximately a 10 minute drive from the facility. From I-40, visitors take Exit 16 onto North Germantown Parkway, heading south for 1.4 miles. Visitors then turn left onto Dexter Road right onto Dexter Lane after .7 miles. Finally, visitors will turn left onto Macon Road after 1.2 miles and will find the proposed location of the facility after continuing .9 miles on that road.

Attachment Section A-6A, 6B-1 a-d, 6B-2, 6B-3.

7. Type of Institution (Check as appropriate--more than one response may apply)

- | | |
|--|--|
| A. Hospital (Specify) _____ | H. Nursing Home _____ |
| B. Ambulatory Surgical Treatment Center (ASTC), Multi-Specialty _____ | I. Outpatient Diagnostic Center _____ |
| C. ASTC, Single Specialty _____ | J. Rehabilitation Facility _____ |
| D. Home Health Agency _____ | K. Residential Hospice _____ |
| E. Hospice _____ | L. Nonresidential Substitution-Based Treatment Center for Opiate Addiction _____ |
| F. Mental Health Hospital _____ | M. Other (Specify) _____ |
| G. Intellectual Disability Institutional Habilitation Facility ICF/IID Check appropriate lines(s). <u>X</u> | |

8. Purpose of Review (Check appropriate lines(s) - more than one response may apply)

- | | |
|---|--|
| A. New Institution _____ | F. Change in Bed Complement _____
[Please note the type of change by underlining the appropriate response: Increase, Decrease, Designation, Distribution, Conversion, Relocation] |
| B. Modifying an ASTC with limitation still required per CON _____ | G. Satellite Emergency Dept. _____ |
| C. Addition of MRI Unit _____ | H. Change of Location <u>X</u> |
| D. Pediatric MRI _____ | I. Other (Specify) _____ |
| E. Initiation of Health Care Service as defined in T.C.A. § 68-11-1607(4) (Specify) _____ | |

9. Medicaid/TennCare, Medicare Participation

MCO Contracts [check all that apply]

___ AmeriGroup ___ United Healthcare Community Plan ___ BlueCare ___ TennCare Select

Medicare Provider Number N/A

Medicare Provider Number 744-7038

Certification Type ICF/MR

If a new facility, will certification be sought for Medicare and/or Medicaid/TennCare?

Medicare ___ Yes ___ No X N/A **Medicaid/TennCare** ___ Yes ___ No X N/A

Response: There are no provider agreements in ICF/IID programs between providers and TennCare MCO's, as the ICF/IID program is a "carve-out" from the managed care program. ICF/IID providers therefore receive no reimbursement from TennCare MCO's; instead, providers contract directly with TennCare, which reimburses them directly. Individual residents, however, do receive medical coverage for other services through TennCare MCO's due to contractual relationships between each resident and their respective TennCare MCO. Examples of such services include hospital emergency room visits, diagnostic imaging services, and other services not provided by the Applicant. Amerigroup, TennCare Select, BlueCare and UnitedHealthcare Community Plan are the only TennCare MCO's in Shelby County.

10. Bed Complement Data

A. Please indicate current and proposed distribution and certification of facility beds.

	Current Licensed	Beds Staffed	Beds Proposed	*Beds Approved	**Beds Exempted	TOTAL Beds at Completion
1) Medical						
2) Surgical						
3) ICU/CCU						
4) Obstetrical						
5) NICU						
6) Pediatric						
7) Adult Psychiatric						
8) Geriatric Psychiatric						
9) Child/Adolescent Psychiatric						
10) Rehabilitation						
11) Adult Chemical Dependency						
12) Child/Adolescent Chemical Dependency						
13) Long-Term Care Hospital						
14) Swing Beds						
15) Nursing Home - SNF (Medicare only)						
16) Nursing Home - NF (Medicaid only)						
17) Nursing Home - SNF/NF (dually certified Medicare/Medicaid)						
18) Nursing Home - Licensed (non-certified)						
19) ICF/IID	8					8
20) Residential Hospice						
TOTAL	8					8

*Beds approved but not yet in service

**Beds exempted under 10% per 3 year provision

B. Describe the reasons for change in bed allocations and describe the impact the bed change will have on the applicant facility's existing services. Attachment Section A-10.

N/A

C. Please identify all the applicant's outstanding Certificate of Need projects that have a licensed bed change component. If applicable, complete chart below.

CON Number(s)	CON Expiration Date	Total Licensed Beds Approved
CN1511-050	4/1/2018	4
CN1511-051	4/1/2018	4
CN1511-052	4/1/2018	4
CN1511-053	4/1/2018	4
CN1511-054	4/1/2018	4
CN1512-062	5/1/2018	4
CN1512-063	5/1/2018	4
CN1512-064	5/1/2018	4
CN1512-065	5/1/2018	4

11. Home Health Care Organizations - Home Health Agency, Hospice Agency (excluding Residential Hospice), identify the following by checking all that apply: N/A

	Existing Licensed County	Parent Office County	Proposed Licensed County		Existing Licensed County	Parent Office County	Proposed Licensed County
Anderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lauderdale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bedford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lawrence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Benton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lewis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bledsoe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lincoln	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Blount	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Loudon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bradley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	McMinn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Campbell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	McNairy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cannon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Macon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carroll	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Madison	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Marion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cheatham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Marshall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chester	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Maury	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Claiborne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Meigs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Monroe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cocke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Montgomery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Coffee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Moore	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Crockett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Morgan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cumberland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Obion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Davidson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Overton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Decatur	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Perry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DeKalb	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Pickett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dickson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Polk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dyer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Putnam	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fayette	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rhea	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fentress	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Roane	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Franklin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Robertson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gibson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rutherford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Giles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Scott	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grainger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sequatchie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Greene	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sevier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grundy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Shelby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamblen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamilton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Stewart	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hancock	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sullivan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hardeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sumner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hardin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Tipton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hawkins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Trousdale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Haywood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Unicoi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Union	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Van Buren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hickman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Warren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Houston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Washington	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Humphreys	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Wayne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jackson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Weakley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jefferson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	White	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Johnson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Williamson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Knox	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Wilson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lake	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

12. Square Footage and Cost Per Square Footage Chart Not Applicable.

Unit/Department	Existing Location	Existing SF	Temporary Location	Proposed Final Location	Proposed Final Square Footage		
					Renovated	New	Total
Unit/Department GSF Sub-Total							
Other GSF Total							
Total GSF							
*Total Cost							
**Cost Per Square Foot					<input type="checkbox"/> Below 1 st Quartile <input type="checkbox"/> Between 1 st and 2 nd Quartile <input type="checkbox"/> Between 2 nd and 3 rd Quartile <input type="checkbox"/> Above 3 rd Quartile	<input type="checkbox"/> Below 1 st Quartile <input type="checkbox"/> Between 1 st and 2 nd Quartile <input type="checkbox"/> Between 2 nd and 3 rd Quartile <input type="checkbox"/> Above 3 rd Quartile	<input type="checkbox"/> Below 1 st Quartile <input type="checkbox"/> Between 1 st and 2 nd Quartile <input type="checkbox"/> Between 2 nd and 3 rd Quartile <input type="checkbox"/> Above 3 rd Quartile

Cost per Square Foot Is Within Which Range

(For quartile ranges, please refer to the Applicant's Toolbox on www.tn.gov/hsda)

- * The Total Construction Cost should equal the Construction Cost reported on line A5 of the Project Cost Chart.
- ** Cost per Square Foot is the construction cost divided by the square feet. Please do not include contingency costs.

13. MRI, PET, and/or Linear Accelerator

- Describe the acquisition of any Magnetic Resonance Imaging (MRI) scanner that is adding a MRI scanner in counties with population less than 250,000 or initiation of pediatric MRI in counties with population greater than 250,000 and/or

Response: Not Applicable.

- Describe the acquisition of any Positron Emission Tomographer (PET) or Linear Accelerator if initiating the service by responding to the following:

Response: Not Applicable.

- Complete the chart below for acquired equipment.

Response: Not Applicable.

<input type="checkbox"/> Linear Accelerator	Mev _____	Types	<input type="checkbox"/> SRS <input type="checkbox"/> IMRT <input type="checkbox"/> IGRT <input type="checkbox"/> Other _____
	Total Cost*: _____		<input type="checkbox"/> By Purchase
	<input type="checkbox"/> New <input type="checkbox"/> Refurbished		<input type="checkbox"/> By Lease Expected Useful Life (yrs) _____
			<input type="checkbox"/> If not new, how old? (yrs) _____
<input type="checkbox"/> MRI	Tesla: _____ Magnet: _____		<input type="checkbox"/> Breast <input type="checkbox"/> Extremity
	Total Cost*: _____		<input type="checkbox"/> Open <input type="checkbox"/> Short Bone <input type="checkbox"/> Other _____
	<input type="checkbox"/> New <input type="checkbox"/> Refurbished		<input type="checkbox"/> By Purchase
			<input type="checkbox"/> By Lease Expected Useful Life (yrs) _____
			<input type="checkbox"/> If not new, how old? (yrs) _____
<input type="checkbox"/> PET	<input type="checkbox"/> PET only <input type="checkbox"/> PET/CT <input type="checkbox"/> PET/MRI		
	Total Cost*: _____		<input type="checkbox"/> By Purchase
	<input type="checkbox"/> New <input type="checkbox"/> Refurbished		<input type="checkbox"/> By Lease Expected Useful Life (yrs) _____
			<input type="checkbox"/> If not new, how old? (yrs) _____

* As defined by Agency Rule 0720-9-.01(13)

- In the case of equipment purchase, include a quote and/or proposal from an equipment vendor. In the case of equipment lease, provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments along with the fair market value of the equipment.

Response: Not Applicable.

- Compare lease cost of the equipment to its fair market value. Note: Per Agency Rule, the higher cost must be identified in the project cost chart.

Response: Not Applicable.

- Schedule of Operations: **Response:** Not Applicable.

Location	Days of Operation (Sunday through Saturday)	Hours of Operation (example: 8 am - 3 pm)
Fixed Site (Applicant)	_____	_____
Mobile Locations		

(Applicant)		
(Name of Other Location)		
(Name of Other Location)		

E. Identify the clinical applications to be provided that apply to the project.

Response: Not Applicable.

F. If the equipment has been approved by the FDA within the last five years provide documentation of the same.

Response: Not Applicable.

SECTION B: GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with T.C.A. § 68-11-1609(b), "no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of health care." Further standards for guidance are provided in the State Health Plan developed pursuant to T.C.A. § 68-11-1625.

The following questions are listed according to the four criteria: (1) Need, (2) Economic Feasibility, (3) Applicable Quality Standards, and (4) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. Please type each question and its response on an 8 1/2" x 11" white paper, single-sided or double sided. All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer, unless specified otherwise. ***If a question does not apply to your project, indicate "Not Applicable (NA)."***

QUESTIONS

SECTION B: NEED

- A. Provide a response to each criterion and standard in Certificate of Need Categories in the State Health Plan that are applicable to the proposed project. Criteria and standards can be obtained from the Tennessee Health Services and Development Agency or found on the Agency's website at <http://www.tn.gov/hsda/article/hsda-criteria-and-standards>.

SERVICE SPECIFIC CRITERIA AND STANDARD REVIEW

CONSTRUCTION, RENOVATION, EXPANSION, AND REPLACEMENT OF HEALTH CARE INSTITUTIONS

For relocation or replacement of an existing licensed health care institution:

- a. The applicant should provide plans which include costs for both renovation and relocation, demonstrating the strengths and weaknesses of each alternative.

Response: Renovation rather than relocation was not deemed a reasonable alternative to the Applicant due to the extensive costs to meet new fire-safety regulations and those which would have been necessary to update the building taken in the context of noted unsafe changes in the neighborhood.

- b. The applicant should demonstrate that there is an acceptable existing or projected future demand for the proposed project.

Response: There is an acceptable existing and future demand for the proposed project that is demonstrated by the current and historical near full census at the facility. This demand has been relatively stable, so the Applicant does not anticipate future decrease in the demand.

A. Need

1. *The population-based estimate of the total need for ICF/MR facilities is .032 percent of the general population. This estimate is based on the estimate for all mental retardation of 1 percent. Of the 1 percent estimate, 3.2 percent of those are estimated to meet level 1 criteria and be appropriate for ICF/MR services.*

Response: The 2017 population of Shelby County, Tennessee is estimated to be 964,804, with 64 ICF/IID beds currently in the county. Using the need-based estimate of .032%, the need in Shelby County is 309 beds.

This project, however, does not involve the development of new ICF/IID beds. Therefore, the population-based needs analysis in the Guidelines for Growth is inapplicable. The beds which are being used by this project serve only to replace beds already in existence at the Applicant's current facility. Thus, no net increase in the number of ICF/IID beds is intended by this application.

2. *The estimate for total need should be adjusted by the existent ICF/MR beds operating in the area as counted by the Department of Health, Department of Mental Health and Developmental Disabilities, and the Division of Mental Retardation Services in the Joint Annual Reports.*

Response: The total estimated need minus the existing beds leaves a need of 245 beds.

B. Service Area

1. *The geographic service area should be reasonable and based on an optimal balance between population density and service proximity.*

Response: The Residents in the Applicant's facility who will be relocated are currently in Shelby County, so it is less disruptive to the Residents as well as their families and conservators if they remain in the Shelby County area.

Given the anticipated acuity level of individuals at the facility, and the recent changes by CMS regarding Home and Community-Based Services (HCBS) as to whether such individuals receive services in their own home or in the community, transportation to a day center may not occur on a regular basis. If such day center services are needed Open Arms has an existing day treatment center in Memphis which serves Open Arms' Shelby County facilities and which will continue to do so upon completion of the proposed facility if this application is approved.

Please find below a chart of distances from the proposed location to services within the area.

Shelby County (Macon Road, Cordova, TN 38018)			
Service	Closest Location	Driving Distance	Driving Time
Nearest Incorporated City	Cordova, TN	Facility is within city limits.	Not applicable.

Hospital	Saint Francis Hospital – Bartlett, 2896 Kate Bond Road, Bartlett, TN 38133	5 Miles	12 minutes
Physician Offices	Locations vary but they are all close to Saint Francis-Bartlett hospital.	Varies	Varies
EMS/Fire Station	Memphis Fire Station No. 56, 7495 Reese Road, Memphis, TN	5.3 Miles	12 minute
Day Treatment (if applicable)	5120 Yale Road, Memphis, TN 38134	11 Miles	24 minutes

2. The relationship of the socio-demographics of the service area and the project population to receive services should be considered. The proposal's sensitivity and responsiveness to the special needs of the service area should be considered including accessibility to consumers, particularly women, racial and ethnic minorities, low-income groups, and those needed services involuntarily.

Response: The project population consists of residents of one of the Applicant's facilities that the Applicant desires to relocate to an ICF/IID within Shelby County. The Applicant is aware of their special needs, including their age distribution, nutritional needs, mobility and visual impairments, and their psychiatric and behavioral needs. This facility is designed and located with their needs in mind and is dedicated to serving them. The Applicant serves all individuals regardless of racial, ethnic, or other demographic background. The proposed facility will be located in a residential setting to promote community inclusion.

C. Relationship to Existing Applicable Plans

1. The proposal's relationship to policy as formulated in the state, city, county, and /or regional plans and other documents should be a significant consideration.

Response: The Applicant is building this facility to continue to most effectively and efficiently serve the needs of the Residents.

2. The proposal's relationship to underserved geographic areas and underserved populations groups as identified in state, city, county, and/or regional plans and other documents should be a significant consideration.

Response: The Applicant is building this facility to continue to most effectively and efficiently serve the needs of the Residents, including underserved groups.

3. The impact of the proposal on similar services supported by state and federal appropriations should be assessed and considered.

Response: This project will shift existing ICF/IID beds from the Applicant's old facility to an eight-bed group home, as a part of the Applicant's plan to modernize its aging facilities.

4. The degree of projected financial participation in the Medicare and TennCare programs should be considered.

Response: ICF/IID services in Tennessee are funded by TennCare and the Applicant anticipates that TennCare funds will be responsible for 96% of the facility's revenue. The remaining 4% will come from residents' SSI benefits.

D. Relationship to Existing Similar Services in the Area

1. The area's trends in occupancy and utilization of similar services should be considered.

Response: The Applicant operates all 64 ICF/IID beds currently licensed in Shelby County in eight (8) facilities which each contain 8 licensed beds.

These beds are at full occupancy. A chart of the occupancy of ICF/IID's in the county for the past three years follows.

ICF/IID Utilization, Shelby County

	2012	2012	2012	2013	2013	2013	2014	2014	2014
Facility/Address	Lic. Beds	ADC	% Occup.	Lic. Beds	ADC	% Occup.	Lic. Beds	ADC	% Occup.
Allendale Drive Home 1	8	8	99.5%	8	8	99.5%	8	8	99.5%
Allendale Drive Home 2	8	8	99.5%	8	8	99.5%	8	8	99.5%
Benjestown Home 1	8	8	99.5%	8	8	99.5%	8	8	99.5%
Benjestown Home 2	8	8	99.5%	8	8	99.5%	8	8	99.5%
Greendale Home 1	8	8	99.5%	8	8	99.5%	8	8	99.5%
Greendale Home 2	8	8	99.5%	8	8	99.5%	8	8	99.5%
Raleigh Millington Home 1	8	8	99.5%	8	8	99.5%	8	8	99.5%
Raleigh Millington Home 2	8	8	99.5%	8	8	99.5%	8	8	100.0%
TOTAL	64	64	99.5%	64	64	99.4%	64	64	99.5%

Source: Open Arms internal records

2. Accessibility to specific special needs groups should be an important factor.

Response: As an ICF/IID home, this facility will be accessible to individuals living with intellectual or developmental disabilities. Its bathroom and bedroom facilities and nursing station are specifically designed to assist medically fragile residents with severe intellectual or developmental disabilities.

- B. Describe the relationship of this project to the applicant facility's long-range development plans, if any, and how it relates to related previously approved projects of the applicant.

Response: The Applicant is a long time provider of ICF/IID services in Tennessee, and this proposed replacement home is a part of the Applicant's intended systematic replacement of various aging buildings. This replacement home will provide modern amenities similar to the new homes, located in East Tennessee, that were approved by the Agency for the Applicant in 2016.

- C. Identify the proposed service area and justify the reasonableness of that proposed area. Submit a county level map for the Tennessee portion of the service area using the map on the following page, clearly marked to reflect the service area as it relates to meeting the requirements for CON criteria and standards that may apply to the project. Please include a discussion of the inclusion of counties in the border states, if applicable. **Attachment Section B - Need-C.**

Response: Please see Attachment B – Need – C for a map of the service area. As the residents are currently in Shelby County and will be remaining there, there is no need to justify a change of service area.

Please complete the following tables, if applicable:

Service Area Counties	Historical Utilization-County Residents	% of total procedures
County #1	Not Applicable.	
County #2		
Etc.		
Total		100%

Service Area Counties	Projected Utilization-County Residents	% of total procedures
County #1	Not Applicable.	
County #2		
Etc.		
Total		100%

- D. 1). a) Describe the demographics of the population to be served by the proposal.
- b) Using current and projected population data from the Department of Health, the most recent enrollee data from the Bureau of TennCare, and demographic information from the US Census Bureau, complete the following table and include data for each county in your proposed service area.

Projected Population Data: <http://www.tn.gov/health/article/statistics-population>

TennCare Enrollment Data: <http://www.tn.gov/tenncare/topic/enrollment-data>

Census Bureau Fact Finder: <http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

Demographic Variable/ Geographic Area	Department of Health/Health Statistics							Bureau of the Census				TennCare	
	2017 Total Population-	2021 Total Population	Total Population-% Change	*Target Population- Current Year	*Target Population- Project Year	*Target Population- % Change	Target Population Projected Year as % of Total	Median Age	Median Household Income	Person Below Poverty Level	Person Below Poverty Level as %Of Total	TennCare Enrollees	TennCare Enrollees as % of Total Population
Shelby County	964,804	986,423	2.2%	308,7	315,7	2.3%	.00032%	35.4	\$46,224	188,790	20.2%	247,356	25.6%
Service Area Total	964,804	986,423	2.2%	308,7	315,7	2.3%	.00032%	35.4	\$46,224	188,790	20.2%	247,356	25.6%
State of TN Total	6,887,572	7,179,512	4.2%	2,204.0	2,297.4	4.2%	.00032%	38.7	\$45,219	1,050,889	15.8%	1,422,877	20.7%

* *Target Population is population that project will primarily serve. For example, nursing home, home health agency, hospice agency projects typically primarily serve the Age 65+ population; projects for child and adolescent psychiatric services will serve the Population Ages 0-19. Projected Year is defined in select service-specific criteria and standards. If Projected Year is not defined, default should be four years from current year, e.g., if Current Year is 2016, then default Projected Year is 2020.*

Response: The target population is .032% of the general population.

- 2) Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

Response: The Residents of the facility are all individuals with severe intellectual or developmental disabilities requiring institutional care. The Applicant's facility will be specially designed to meet residents' physical and medical needs, such as accessible entry doors, hallways, bathrooms, transportation, and ADA-compliant sink/vanity and toilets. Other services that will be provided include assistance meeting hygiene requirements, specialized dietary services, physical therapy, and activities of daily living, including physical, occupational, and behavioral therapies. The overall goal is to provide residents with an environment and services that will let them live dignified and meaningful lives in a community setting.

- E. Describe the existing and approved but unimplemented services of similar healthcare providers in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. List each provider and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: Admissions or discharges, patient days, average length of stay, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc. This doesn't apply to projects that are solely relocating a service.

Response: Not applicable. As noted above, all existing ICF/IID beds in Shelby County are at full occupancy, and there are no approved-but-unimplemented ICF/IID beds for Shelby County.

- F. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three years and the projected annual utilization for each of the two years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology **must include** detailed calculations or documentation from referral sources, and identification of all assumptions.

Response: The Applicant projects 99.7% and 99.2% occupancy of the eight beds, or 2,910 and 2,898 resident bed days, respectively, for the first two years of operation of this facility. This is based upon the Applicant's experience and the facility's current occupancy rate, as the Applicant anticipates no change.

SECTION B: ECONOMIC FEASIBILITY

- A. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.
- 1) All projects should have a project cost of at least \$15,000 (the minimum CON Filing Fee). (See Application Instructions for Filing Fee)
 - 2) The cost of any lease (building, land, and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. Note: This applies to all equipment leases including by procedure or "per click" arrangements. The methodology used to determine the total lease cost for a "per click" arrangement must include, at a minimum, the projected procedures, the "per click" rate and the term of the lease.
 - 3) The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.
 - 4) Complete the Square Footage Chart on page 8 and provide the documentation. Please note the Total Construction Cost reported on line 5 of the Project Cost Chart should equal the Total Construction Cost reported on the Square Footage Chart.
 - 5) For projects that include new construction, modification, and/or renovation — **documentation must be** provided from a licensed architect or construction professional that support the estimated construction costs. Provide a letter that includes the following:
 - a) A general description of the project;
 - b) An estimate of the cost to construct the project;

- c) A description of the status of the site's suitability for the proposed project; and
- d) Attesting the physical environment will conform to applicable federal standards, manufacturer's specifications and licensing agencies' requirements including the AIA Guidelines for Design and Construction of Hospital and Health Care Facilities in current use by the licensing authority.

Response: Please see Attachment B. Economic Feasibility – A5 for a copy of the letter from the architect supporting the estimated construction cost. Please see the Project Costs Chart on the following page, which includes the cost of an emergency generator.

As the total rent expense over the term of the lease is higher than the costs of land purchase, development, construction, etc. that amount is not used in the Project Costs Chart, but the Applicant has used the total lease costs, plus certain "soft costs" and a small Contingency Fund in the Project Costs Chart for unanticipated expenses.

PROJECT COST CHART

A.	Construction and equipment acquired by purchase:	
	1. Architectural and Engineering Fees	_____
	2. Legal, Administrative (Excluding CON Filing Fee), Consultant Fees	<u>\$15,000</u>
	3. Acquisition of Site	_____
	4. Preparation of Site	_____
	5. Total Construction Costs	_____
	6. Contingency Fund	<u>\$35,671</u>
	7. Fixed Equipment (Not included in Construction Contract)	_____
	8. Moveable Equipment (List all equipment over \$50,000 as separate attachments)	_____
	9. Other (Specify) _____	_____
B.	Acquisition by gift, donation, or lease:	
	1. Facility (inclusive of building and land)	<u>\$5,050,000</u>
	2. Building only	_____
	3. Land only	_____
	4. Equipment (Specify) _____	_____
	5. Other (Specify) _____	_____
C.	Financing Costs and Fees:	
	1. Interim Financing	_____
	2. Underwriting Costs	_____
	3. Reserve for One Year's Debt Service	_____
	4. Other (Specify) _____	_____
D.	Estimated Project Cost (A+B+C)	<u>\$5,100,671</u>
E.	CON Filing Fee	<u>\$29,329</u>
F.	Total Estimated Project Cost (D+E)	<u>\$5,130,000</u>
	TOTAL	<u>\$5,130,000</u>

Please note the facility cost of \$5,050,000 was calculated as required by HDSA rules as to the use of the higher of actual cost or rental costs over the life of a lease, with \$5,050,000 being the estimated average annual rental cost of \$168,333 multiplied by the number years in the lease term (30). Please note that the Option to Lease Agreement refers to the average annual rent over the course of the proposed lease's 30 year term as opposed to a guarantee with respect to any specific year's annual rent amount. The annual rent will be on a declining balance rather than an equal amortization over the 30 year term in order to correspond with FDG's anticipated financing, which will also be a declining balance as opposed to equal amortization. This means that, as the balance of the loan decreases, the annual rental amount will decrease as well.

For comparison, the components of development and construction costs are as follows:

Acquisition of site	165,000
Architectural and engineering fees	35,000
Preparation of site	45,000
Construction costs	1,150,000
Landscaping and irrigation	25,000
Contingency fund	110,000
Furnishings and equipment	50,000
TOTAL	\$1,580,000

B. Identify the funding sources for this project.

Check the applicable item(s) below and briefly summarize how the project will be financed. ***(Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment Section B-Economic Feasibility-B.)***

- ☐ 1) Commercial loan - Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;
- ☐ 2) Tax-exempt bonds - Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;
- ☐ 3) General obligation bonds - Copy of resolution from issuing authority or minutes from the appropriate meeting;
- ☐ 4) Grants - Notification of intent form for grant application or notice of grant award;
- ☐ 5) Cash Reserves - Appropriate documentation from Chief Financial Officer of the organization providing the funding for the project and audited financial statements of the organization; and/or
- ☒ 6) Other - Identify and document funding from all other sources.

Response: The cost of the project will be paid through a commercial loan from ServisFirst Bank to FDG, which FDG will pay back using the Applicant's lease payments. Please see Attachment B – Economic Feasibility – B for documentation to this effect.

C. Complete Historical Data Charts on the following two pages — **Do not modify the Charts provided or submit Chart substitutions!**

Historical Data Chart represents revenue and expense information for the last *three* (3) years for which complete data is available. Provide a Chart for the total facility and Chart just for the services being presented in the proposed project, if applicable. **Only complete one chart if it suffices.**

Note that "Management Fees to Affiliates" should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. "Management Fees to Non-Affiliates" should include any management fees paid by agreement to third party entities not having common ownership with the applicant.

Response: Please see Attachment B. Economic Feasibility – C. The Applicant's payment for the ICF/IID services it provides will be reimbursement from TennCare be based on its expenses such that its funding will approximately equal its expenses. Therefore, there will be no surplus revenue. Further, the Applicant anticipates no bad debt due to its reimbursement by TennCare for 96% of its expenses, with the remaining 4% anticipated to come from residents' SSI income. Please note that the Applicant's lease payments are structured to allow the Landlord to fulfill its responsibility to maintain the building, so the Applicant will not be responsible for repairs and upkeep of the facility beyond the usual tenant duties such as lawn care and cleaning. Additionally, the Projected Data Chart accounts for residents' dietary meals and supplies expenses in the "Other Expenses" line item at D.6 in the chart itself and in the "Miscellaneous" category if one refers to the itemization of that line item following the Projected Data Chart.

With respect to the losses shown in the Historical Data Chart for 2014, 2015 and 2016 and the projected net income in the Projected Data Chart, the Applicant notes that prior to 2015 it was the obligor on its mortgage financing regarding the current facility (as well as numerous of its other facilities). In 2015 Open Arms entered into a sale-leaseback transaction regarding those facilities, which changed how Open Arms paid the occupancy costs for its facilities (as lease payments rather than mortgage payments). However, due to the requirements of the cost-based reimbursement methodology for ICF/IID facilities (including requirements as to the calculation of the depreciation allowance for the landlord's costs in a sale-leaseback transaction), there is a "lag" which results in the changes from mortgage payments to lease payments not appearing until 2016.

D. Complete Projected Data Charts on the following two pages - **Do not modify the Charts provided or submit Chart substitutions!**

The Projected Data Chart requests information for the two years following the completion of the proposed services that apply to the project. Please complete two Projected Data Charts. One Projected Data Chart should reflect revenue and expense projections for the **Proposal Only** (i.e., if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility). The second Chart should reflect information for the total facility. **Only complete one chart if it suffices.**

Note that "Management Fees to Affiliates" should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. "Management Fees to Non-Affiliates" should include any management fees paid by agreement to third party entities not having common ownership with the applicant.

Response: Please see Attachment B. Economic Feasibility – C. Please note that the estimated average annual rental cost will be tied to the anticipated principal and interest payments due from FDG to its lender, and the initial principal amount will be related to the costs of construction and development. Please note that the annual rent amount will differ with respect to the Projected Data Chart and the Option to Lease because the Option to Lease specifically contemplates the average annual rent over the course of the lease's 30-60 year term as opposed to a guarantee with respect to the amount of any one year's annual rent. The annual rent will be on a declining balance rather than an equal amortization over the 30-year term in correlation with

FDG's anticipated financing, which will also be a declining balance as opposed to equal amortization. In other words, though the estimated annual rental cost noted in Year 1 exceeds that in the Option to Lease, because annual rental cost will be higher in early years and decrease in later years as the outstanding principal balance of the loan is paid down.

- E. 1) Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the Projected Data Chart for Year 1 and Year 2 of the proposed project. Please complete the following table.

	Previous Year	Current Year	Year One	Year Two	% Change (Current Year to Year 2)
Gross Charge (<i>Gross Operating Revenue/Utilization Data</i>)	\$423.59	\$479.69	\$614.66	\$612.41	15.7%
Deduction from Revenue (<i>Total Deductions/Utilization Data</i>)	0	.0069	0	0	0
Average Net Charge (<i>Net Operating Revenue/Utilization Data</i>)	\$423.59	\$479.68	\$614.66	\$612.41	15.7%

- 2) Provide the proposed charges for the project and discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the project and the impact on existing patient charges.

Response: The proposed charge schedule is \$614.66 per patient day for the first year of operations of the new facility. The Applicant anticipates that almost all of its revenue will come from TennCare, with some of the revenue coming from residents' SSI benefits, as required by TennCare. The money from residents' SSI benefits will be used to cover some of the cost of services. The Applicant is not aware of any residents with food stamp benefits.

- 3) Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

Response: As the only provider in Shelby County, the Applicant can confirm that the proposed charges are in line with rates it charges at its other facilities in the Service Area. Open Arms' proposed rate is \$614.66 per patient day, which is slightly more than the \$521.85 average rate charged by Open Arms in Shelby County. The rates charged by Open Arms in its Shelby County facilities are shown in the table below. The slight difference in rates can be explained by the additional fire safety code requirements the proposed home will need to meet as well as an anticipated increase in expenses associated with patient care. Most of the residents have been in the home for many years and are increasing in acuity level as they age. Consequently, Open Arms has to plan the proposed home keeping both current and future needs of the residents in mind, which will impact the cost of operations.

Please note that the per diem charges primarily include daily nursing services with licensed nurses or techs and primary physician services. Specialized care, hospitalizations or ancillary medical care are covered by TennCare.

Shelby County 8-Bed ICF Established Per Diem Rate	
Facility	Rate

Open Arms 4240 Raleigh Millington Road	\$517.78
Open Arms 4254 Raleigh Millington Road	\$526.39
Open Arms 1445 Greendale Avenue (Shelby #2)	\$512.70
Open Arms 1457 Greendale Avenue (Shelby #1)	\$527.05
Open Arms 5350 Benjestown Road	\$529.45
Open Arms 5380 Benjestown Road	\$520.60
Open Arms 4695 Allendale Drive	\$523.19
Open Arms 4707 Allendale Drive	\$517.69

- F. 1) Discuss how projected utilization rates will be sufficient to support the financial performance. Indicate when the project's financial breakeven is expected and demonstrate the availability of sufficient cash flow until financial viability is achieved. Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For all projects, provide financial information for the corporation, partnership, or principal parties that will be a source of funding for the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as **Attachment Section B-Economic Feasibility-FI. NOTE: Publicly held entities only need to reference their SEC filings.**

Response: Please also see Attachment B – Economic Feasibility – F1.

- 2) Net Operating Margin Ratio - Demonstrates how much revenue is left over after all the variable or operating costs have been paid. The formula for this ratio is: (Earnings before interest, Taxes, and Depreciation/Net Operating Revenue).

Utilizing information from the Historical and Projected Data Charts please report the net operating margin ratio trends in the following table:

Year	2nd Year previous to Current Year	1st Year previous to Current Year	Current Year	Projected Year 1	Projected Year 2
Net Operating Margin Ratio	.064	-.065	-.040	0	0

- 3) Capitalization Ratio (Long-term debt to capitalization) - Measures the proportion of debt financing in a business's permanent (Long-term) financing mix. This ratio best measures a business's true capital structure because it is not affected by short-term financing decisions. The formula for this ratio is: (Long-term debt/(Long-term debt+Total Equity (Net assets)) x 100).

For the entity (applicant and/or parent company) that is funding the proposed project please provide the capitalization ratio using the most recent year available from the funding entity's audited balance

sheet, if applicable. The Capitalization Ratios are not expected from outside the company lenders that provide funding.

Response: Using 2016 data, the capitalization ratio for the Applicant is 146.88% after calculating per the formula $((2,000,000/(2,000,000 + (-638,307))) \times 100 = 146.88\%)$.

- G. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid and medically indigent patients will be served by the project. Additionally, report the estimated gross operating revenue dollar amount and percentage of projected gross operating revenue anticipated by payor classification for the first year of the project by completing the table below.

Response: All Residents are TennCare/Medicaid recipients. This project is intended to provide specialized services to TennCare/Medicaid recipients in need of ICF level care. The Applicant anticipates that 96% of its revenue will come from TennCare and the remaining 4% from resident's SSI income.

- H. Provide the projected staffing for the project in Year 1 and compare to the current staffing for the most recent 12-month period, as appropriate. This can be reported using full-time equivalent (FTEs) positions for these positions. Additionally, please identify projected salary amounts by position classifications and compare the clinical staff salaries to prevailing wage patterns in the proposed service area as published by the Department of Labor & Workforce Development and/or other documented sources.

Response: ICF/IID services contemplate more than nursing level care; there is requirement for "active treatment," meaning individualize programming. Each client is required to have a specific and dynamic individualized habilitation plan of services. Regulations require the involvement of a multidisciplinary team to evaluate, design and implement client plans, including a Qualified MR Professional, Dietician and Behavioral Analyst. These professionals staff the individual habilitation plan teams, design programs and environments, monitor progress and revise as necessary to recognize changing client needs on an individualized basis.

Position Classification	Existing FTEs (2017)	Projected FTEs Year 1	Average Wage (Contractual Rate)	Area Wide/Statewide Average Wage
a) Direct Patient Care Positions				
RN	0.25	0.25	\$60,000	\$57,590
LPN	1.98	1.98	\$38,836	\$37,180
Qualified MR Professional	0.25	0.25	\$65,000	N/A
Direct Support Staff	12.50	20.50	\$22,431	\$23,340
Total Direct Patient Care Positions	14.98	22.98		
b) Non-Patient Care Positions				
Resident Manager	.50	.50	\$34,000	N/A
Maintenance	0.15	0.15	\$34,000	N/A
Central Office	0.75	0.75	Varies	Varies
Total Non-Patient Care Positions	1.4	1.4		
Total Employees (A+B)	16.38	24.38		

c) Contractual Staff				
<i>Speech Therapist</i>	0.13	0.13	\$80/hour	\$70,810
<i>Occupational Therapist</i>	0.13	0.13	\$65/hour	\$82,830
<i>Physical Therapist</i>	0.13	0.13	\$75/hour	\$85,420
Total Staff (a+b+c)	16.77	24.77		

Source: Tennessee Department of Labor & Workforce Development (2016 LMI)

- I. Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:

- 1) Discuss the availability of less costly, more effective and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, justify why not, including reasons as to why they were rejected.

Response: Renovating the current facility was an option that was contemplated but rejected due to the expense that would have been expended on an aging home as well as the considerable disruption renovation would have caused to residents. Given the extensive impending fire-safety regulation changes that would require the Applicant to make significant renovations to the home in addition to any modernization renovations in lieu of relocation, the cost of building a new facility was more cost-effective.

- 2) Document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements.

Response: As previously noted, the expenses associated with renovating the facility were unreasonable given the extent of renovations that would be required.

SECTION B: CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

- A. List all existing health care providers (i.e., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, that may directly or indirectly apply to the project, such as, transfer agreements, contractual agreements for health services.

Response: None.

- B. Describe the effects of competition and/or duplication of the proposal on the health care system, including the impact to consumers and existing providers in the service area. Discuss any instances of competition and/or duplication arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.

- 1) Positive Effects

Response: None known other than as currently exist for the current facility.

- 2) Negative Effects

Response: None known.

- C. 1) Discuss the availability of and accessibility to human resources required by the proposal, including clinical leadership and adequate professional staff, as per the State of Tennessee licensing

requirements and/or requirements of accrediting agencies, such as the Joint Commission and Commission on Accreditation of Rehabilitation Facilities.

Response: Sufficient as shown by the current facility operations. The Applicant currently meets and will continue to meet the staffing requirements of the facility following the proposed relocation. The Applicant does not anticipate needing to hire additional staff from what is in use at the current location of the facility.

- 2) Verify that the applicant has reviewed and understands all licensing and/or certification as required by the State of Tennessee and/or accrediting agencies such as the Joint Commission for medical/clinical staff. These include, without limitation, regulations concerning clinical leadership, physician supervision, quality assurance policies and programs, utilization review policies and programs, record keeping, clinical staffing requirements, and staff education.

Response: The Applicant has reviewed and understands the aforementioned requirements.

- 3) Discuss the applicant's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g., internships, residencies, etc.).

Response: Not applicable.

- D. Identify the type of licensure and certification requirements applicable and verify the applicant has reviewed and understands them. Discuss any additional requirements, if applicable. Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

Licensure: The Tennessee Department of Intellectual and Developmental Disabilities.

Certification Type (e.g. Medicare SNF, Medicare LTAC, etc.): TennCare

Accreditation (i.e., Joint Commission, CARF, etc.): Not applicable.

- 1) If an existing institution, describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility and accreditation designation.

Response: The facility is currently licensed by and in good standing with the Tennessee Department of Intellectual and Developmental Disabilities. The Applicant does not participate in an accreditation organization. Please see Attachment B – Contribution to the Orderly Development of Health Care – D1 for a copy of the facility's license.

- 2) For existing providers, please provide a copy of the most recent statement of deficiencies/plan of correction and document that all deficiencies/findings have been corrected by providing a letter from the appropriate agency.

Response: Please see Attachment B – Contribution to the Orderly Development of Health Care – D2 for an October 25, 2017 letter from the Department of Intellectual and Developmental Disabilities indicating that the location is in compliance with applicable licensure rules. Please note that this is the only documentation received by the facility confirming its good standing with no uncorrected deficiencies with respect to the licensing agency, as there were no citations for this location and therefore no plan of correction.

- 3) Document and explain inspections within the last three survey cycles which have resulted in any of the following state, federal, or accrediting body actions: suspension of admissions, civil monetary penalties, notice of 23-day or 90-day termination proceedings from Medicare/Medicaid/TennCare, revocation/denial of accreditation, or other similar actions.

Response: Not applicable.

- a) Discuss what measures the applicant has or will put in place to avoid similar findings in the future.

Response: Not applicable.

E. Respond to all of the following and for such occurrences, identify, explain and provide documentation:

1) Has any of the following:

- a) Any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant);
- b) Any entity in which any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%; and/or
- c) Any physician or other provider of health care, or administrator employed by any entity in which any person(s) or entity with more than 5% ownership in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%.

Response: Not applicable.

2) Been subjected to any of the following:

- a) Final Order or Judgment in a state licensure action;
- b) Criminal fines in cases involving a Federal or State health care offense;
- c) Civil monetary penalties in cases involving a Federal or State health care offense;
- d) Administrative monetary penalties in cases involving a Federal or State health care offense;
- e) Agreement to pay civil or administrative monetary penalties to the federal government or any state in cases involving claims related to the provision of health care items and services; and/or
- f) Suspension or termination of participation in Medicare or Medicaid/TennCare programs.
- g) Is presently subject of/to an investigation, regulatory action, or party in any civil or criminal action of which you are aware.
- h) Is presently subject to a corporate integrity agreement.

Response: Not Applicable.

F. Outstanding Projects:

- 1) Complete the following chart by entering information for each applicable outstanding CON by applicant or share common ownership; and

<u>Outstanding Projects</u>					
<u>CON Number</u>	<u>Project Name</u>	<u>Date Approved</u>	<u>*Annual Progress Report(s)</u>		<u>Expiration Date</u>
			<u>Due Date</u>	<u>Date Filed</u>	
CN1511-050	Open Arms Care Corporation dba Greeneville #1 Chuckey Pike	2/24/2016	4/1/2017	5/31/2017	4/1/2018
CN1511-051	Open Arms Care Corporation dba Hamilton County #2 Gamble Road - Southwest	2/24/2016	4/1/2017	5/31/2017	4/1/2018
CN1511-052	Open Arms Care Corporation dba Greeneville #3 East Church Street - East	2/24/2016	4/1/2017	5/31/2017	4/1/2018

CN1511-053	Open Arms Care Corporation dba Hamilton County #1 Gamble Road - Southeast	2/24/2016	4/1/2017	5/31/2017	4/1/2018
CN1511-054	Open Arms Care Corporation dba Greeneville #2 East Church Street - West	2/24/2016	4/1/2017	5/31/2017	4/1/2018
CN1512-062	Open Arms Care Corporation dba Knox County #1 Bishops Bridge Northeast	3/23/2016	5/1/2017	5/31/2017	5/1/2018
CN1512-063	Open Arms Care Corporation dba Knox County #2 Bishops Bridge Northwest	3/23/2016	5/1/2017	5/31/2017	5/1/2018
CN1512-064	Open Arms Care Corporation dba Knox County #4 South Northshore Drive Northwest	3/23/2016	5/1/2017	5/31/2017	5/1/2018
CN1512-065	Open Arms Care Corporation dba Knox County #3 South Northshore Drive Southeast	3/23/2016	5/1/2017	5/31/2017	5/1/2018

- * Annual Progress Reports - HSDA Rules require that an Annual Progress Report (APR) be submitted each year. The APR is due annually until the Final Project Report (FPR) is submitted (FPR is due within 90 ninety days of the completion and/or implementation of the project). Brief progress status updates are requested as needed. The project remains outstanding until the FPR is received.

- 2) Provide a brief description of the current progress, and status of each applicable outstanding CON.

Response: The facilities constructed pursuant to each of the outstanding CONs have now been completed and approved for occupancy, and residents are now in such facilities. The Applicant is still working with the architect and contractor on final cost certifications, which are anticipated to be completed within the next 30 days. Annual Progress Reports have previously been submitted for such facilities, and the Final Project Report will be submitted after the final cost certifications are completed and verified.

G. Equipment Registry - For the applicant and all entities in common ownership with the applicant.

- 1) Do you own, lease, operate, and/or contract with a mobile vendor for a Computed Tomography scanner (CT), Linear Accelerator, Magnetic Resonance Imaging (MRI), and/or Positron Emission Tomographer (PET)?

Response: Not Applicable.

- 2) If yes, have you submitted their registration to HSDA? If you have, what was the date of submission?

Response: Not Applicable.

- 3) If yes, have you submitted your utilization to Health Services and Development Agency? If you have, what was the date of submission?

Response: Not Applicable.

SECTION B: QUALITY MEASURES

Please verify that the applicant will report annually using forms prescribed by the Agency concerning continued need and appropriate quality measures as determined by the Agency pertaining to the certificate of need, if approved.

Response: The Applicant will report annually using forms prescribed by the Agency concerning continued need and appropriate quality measures as determined by the Agency pertaining to the Applicant's requested certificate of need, if approved.

SECTION C: STATE HEALTH PLAN QUESTIONS

T.C.A. §68-11-1625 requires the Tennessee Department of Health's Division of Health Planning to develop and annually update the State Health Plan (found at <http://www.tn.gov/health/topic/health-planning>). The State Health Plan guides the State in the development of health care programs and policies and in the allocation of health care resources in the State, including the Certificate of Need program. The 5 Principles for Achieving Better Health are from the State Health Plan's framework and inform the Certificate of Need program and its standards and criteria.

Discuss how the proposed project will relate to the 5 Principles for Achieving Better Health found in the State Health Plan.

- A. The purpose of the State Health Plan is to improve the health of the people of Tennessee.

Response: The proposed facility reflects this principle by ensuring that the Applicant may provide its residents the same high quality health care in a newer, safer, more supportive environment. The proposed facility will be constructed to comply with updated building codes, ensuring that residents will not have to endure the hassle and instability of renovations at their existing home. In addition, relocation to a more resident-friendly neighborhood will better support the comprehensive medical and social services the Applicant provides its residents. The Applicant will continue to provide residents with medical care in accordance with physician recommendations and on a more general, as-needed basis. These services address the full range of the residents' medical needs, including their mental and behavioral health. Depending on the resident and his or her medical needs, residents will receive assistance meeting hygiene requirements, specialized dietary services, physical therapy, and assistance with activities of daily living, as well as physical, occupational, and behavioral therapies. Residents will also have access to both planned and spontaneous activities, including vocational training and job coaching, which will be easier to access and enjoy in the safe and supportive environment of their new community.

- B. People in Tennessee should have access to health care and the conditions to achieve optimal health.

Response: The Applicant will ensure that all residents continue to receive medical care in the manner and on the schedule prescribed by regulations and residents' physicians, as well as on an as-needed basis. Of note, the Applicant is one of only a few ICF/IID providers in Shelby County, and the proposed replacement facility will ensure that these eight beds remain available to Shelby County residents. While the Applicant has been able to adapt to the aging of its current facility, the Applicant would be able to provide that care more efficiently in the proposed newer facility, particularly once the

revised building codes go into effect and the Applicant will be responsible for providing care while addressing the necessary updates. Additionally, the nature of residential care means that the quality of resident experiences will depend at least in part on the surrounding neighborhood. In light of the general decline in the area surrounding its existing facility, the Applicant believes this is the right time to move its operations to a more traditional residential area, where the calmer setting will ensure both easier access to services in the community and long-term quality of life for its residents.

- C. Health resources in Tennessee, including health care, should be developed to address the health of people in Tennessee while encouraging economic efficiencies.

Response: Providing support in an ICF/IID will be cost effective at the Applicant's proposed facility due to its strategic, thoughtful staffing, emphasis on preventive care, management oversight of resource utilization, and design of a home specifically dedicated to the Residents' needs. The Applicant's model will generate ongoing cost savings through its particular emphasis on preventive care and preservation of residents' existing mobility through therapy. Pairing ICF/IID homes to maximize economies of scale while maintaining a home-like environment is a common practice utilized by both public and private ICF/IIDs in the state, in large part because it permits providers like the Applicant to ensure both quality and efficiency. That the Applicant's facilities share a management company and physical address creates a range benefits, from the reduction of small, less-obvious fees like rates on lawn care to more impactful savings from the Applicant's ability to conduct joint internal visits and audits for both facilities, as opposed to having to make arrangements for two different locations. Additionally, through its nearly 30 years of experience, the Applicant will be able to put its expertise to work and take advantage of the economies of scale made possible by its many locations throughout the state, which will enable the Applicant to spend less money than would be spent by a less experienced applicant.

- D. People in Tennessee should have confidence that the quality of health care is continually monitored and standards are adhered to by providers.

Response: As a provider of ICF/IID services, the Applicant's services are overseen by both the state of Tennessee and the federal government. The Applicant is a decades-long ICF/IID services provider veteran and is well versed in satisfying these requirements and ensuring that its facilities and providers meet or exceed the important regulatory and licensure expectations and standards set out for them. The Applicant maintains a good relationship with its state and federal regulators. In addition, the Applicant's use of co-located facilities, a common management company, and reliance on a broad network of facilities across the state (including others in the Shelby County area) ensures that its providers participate in a constant, iterative system of checks and balances to ensure high quality resident care. Tennesseans can be confident that services offered at one of the Applicant's facilities have the backing of its experience and regulatory oversight.

- E. The state should support the development, recruitment, and retention of a sufficient and quality health workforce.

Response: The Applicant engages licensed and unlicensed personnel to provide the full range of medical and social services to the residents in its facilities. The Applicant's home-based model supports a cohesive approach to ensuring each individual receives the attention and care they need to function at their best. Moreover, by adding a new ICF/IID in the proposed service area, the Applicant will ensure that these services remain available to the community and that individuals interested in providing the services continue to come to the community to work.

PROOF OF PUBLICATION

Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper that includes a copy of the publication as proof of the publication of the letter of intent.

NOTIFICATION REQUIREMENTS

(Applies only to Nonresidential Substitution-Based Treatment Centers for Opiate Addiction)

Note that T.C.A. §68-11-1607(c)(9)(A) states that "...Within ten (10) days of the filing of an application for a nonresidential substitution-based treatment center for opiate addiction with the agency, the applicant shall send a notice to the county mayor of the county in which the facility is proposed to be located, the state representative and senator representing the house district and senate district in which the facility is proposed to be located, and to the mayor of the municipality, if the facility is proposed to be located within the corporate boundaries of a municipality, by certified mail, return receipt requested, informing such officials that an application for a nonresidential substitution-based treatment center for opiate addiction has been filed with the agency by the applicant."

Failure to provide the notifications described above within the required statutory timeframe will result in the voiding of the CON application.

Please provide documentation of these notifications.

DEVELOPMENT SCHEDULE

T.C.A. §68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

1. Complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.
2. If the response to the preceding question *indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph*, please state below any request for an extended schedule and document the "good cause" for such an extension.

PROJECT COMPLETION FORECAST CHART

Assuming the Certificate of Need (CON) approval becomes the final HSDA action on the date listed in Item 1. below, indicate the number of days from the HSDA decision date to each phase of the completion forecast.

Phase	Days Required	Anticipated Date [Month/Year]
1. Initial HSDA decision date		April 2018
2. Architectural and engineering contract signed	0	April 2018
3. Construction documents approved by the Tennessee Department of Health	60	June 2018
4. Construction contract signed	0	June 2018
5. Building permit secured	30	July 2018
6. Site preparation completed	30	August 2018
7. Building construction commenced	5	August 2018
8. Construction 40% complete	45	September 2018
9. Construction 80% complete	60	November 2018
10. Construction 100% complete (approved for occupancy)	45	January 2019
11. *Issuance of License	20	February 2019
12. *Issuance of Service	15	March 2019
13. Final Architectural Certification of Payment	45	April 2019
14. Final Project Report Form submitted (Form HR0055)	30	May 2019

*For projects that **DO NOT** involve construction or renovation, complete Items 11 & 12 only.

NOTE: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date

PROOF OF PUBLICATION

**The Commercial Appeal
Affidavit of Publication**

STATE OF TENNESSEE

COUNTY OF SHELBY

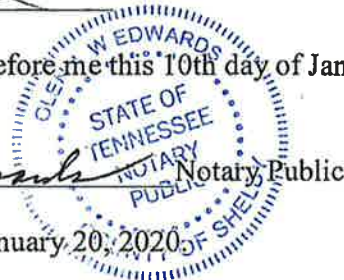
Personally appeared before me, Glenn W. Edwards, a Notary Public, Helen Curl, of MEMPHIS PUBLISHING COMPANY, a corporation, publishers of The Commercial Appeal, morning and Sunday paper, published in Memphis, Tennessee, who makes oath in due form of law, that she is Legal Clerk of the said Memphis Publishing Company, and that the accompanying and hereto attached advertisement was published in the following editions of The Commercial Appeal, to-wit:

January 10, 2018

Helen Curl

Subscribed and sworn to before me this 10th day of January, 2018.

Glenn W. Edwards



My commission expires January 20, 2020

Where local meets classifieds.

Place your ad with us 901-529-2700

- Announcements
- Garage Sales
- Real Estate Commercial
- Training and Education
- Employment
- Legals
- Real Estate Rentals
- Transportation
- Farmer's Market Trading Post
- Merchandise
- Real Estate Sales
- Services Offered
- Financial
- Pets
- Recreation

PEANUTS By Charles M. Schulz



FRANK & ERNEST By Bob Thaves



CRANKSHAFT By Tom Batiuk & Chuck Ayers



BORN LOSER By Art and Chip Sansom



Announcements

Personals

ADOP: Loving couple offer your precious baby lifetime security, endless love, Laura & Owen 1-800-345-1332 Exp. 1/18

Employment

Employment Wanted

ARE YOU IN NEED of an ElderCare Provider?
Days, evenings and overnight.
24 hrs. Excellent references.
901-496-2429 901-446-2267

SITTING/COMPANION LOOKING TO CARE FOR YOUR LOVED ONE. Reasonable rates, light meals & snacks. 901-386-6977/361-561-6497

Farmer's Mkt/Trading Post

Wanted to Buy

GREAT DEAL!

CALL ME BEFORE I SELL
Furn, appls, House full etc
Vaughan Furniture
(901)372-3392

Financial

Business Opportunities

GREAT DEAL!

JANITORIAL FRANCHISE
Bonus Building Care
3910 S. Perkins Cut Off Rd.
\$1000 down required.
Mpls, TN 38118
901-681-8255

Legals

Legal Notices

SUBSTITUTE TRUSTEE'S SALE

\$419 at public auction will be on February 1, 2018 at 10:00 a.m. local time, at the east door of the Weakley County Courthouse, 116 West Main Street, Dresden, TN 37521, pursuant to deed of Trust executed by Kent Vogel and Rebecca Vogel to John Brown, as Trustee for First State Finance, Inc., dated November 21, 2008, as recorded in Book 1635, Page 129, in the Register's Office for Weakley County, Tennessee. ("Deed of Trust"). Conducted by Padgett Law Group, LLP, having been appointed Substitute Trustee, all of record in the Weakley County Register's Office. Default in the performance of the covenants, terms, and conditions of said deed of Trust has been made, and the entire indebtedness has been declared due and payable. Party entitled to enforce the debt: Simmons Bank. Other interested parties: Tennessee Housing Development Agency. The herein described real property located in Weakley County will be sold to the highest cash bidder subject to all unpaid taxes, prior liens and encumbrances of record. Legal Description: All that certain property situated in the County of Weakley, and State of Tennessee, being described as: DESCRIBED LAND, SITUATED IN THE 8TH CIVIL DISTRICT OF THE COUNTY OF WEAKLEY,

Legal Notices

LEY AND STATE OF TENNESSEE, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AN IRON PIN IN THE EAST RIGHT-OF-WAY OF HUNT STREET, SAID PIN BEING 25 SECONDS OF AN IRON PIN OF A 30-FOOT WIDE ASPHALT PAVEMENT OF SAID STREET, SAID PIN ALSO BEING THE SOUTHWEST CORNER OF THE LOT BELONGING TO BULLINGTON AND BEING 310 FEET SOUTH OF THE CENTER OF MAPLE STREET, THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS OF THE EAST WITH THE SOUTH LINE OF BULLINGTON FOR A DISTANCE OF 236.05 FEET TO AN IRON PIN, SAID PIN BEING IN THE WEST LINE OF A TRACT BELONGING TO WATLINGTON, THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, WITH THE WEST LINE OF WATLINGTON, FOR A DISTANCE OF 124.20 FEET TO AN IRON PIN IN A FENCE, SAID PIN BEING THE NORTHEAST CORNER OF A LOT BELONGING TO BREWER, THENCE NORTH 86 DEGREES 00 MINUTES 00 SECONDS WEST WITH BREWER'S NORTH LINE, FOR A DISTANCE OF 236.05 FEET TO AN IRON PIN AT BREWER'S NORTHWEST CORNER, SAID PIN BEING IN THE EAST RIGHT-OF-WAY OF HUNT STREET AND BEING 310 FEET EAST OF THE EAST EDGE OF THE ASPHALT PAVEMENT OF SAID STREET, THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST WITH THE EAST RIGHT-OF-WAY OF HUNT STREET, FOR A DISTANCE OF 124.20 FEET TO THE POINT OF BEGINNING, AND CONTAINING 0.671 ACRES, ACCORDING TO A SURVEY DATED APRIL 24, 1991, BY ROBERT L. NICHOLS, JR., RLS NO. 1059, P.O. BOX 1607, CHATTANOOGA, TN, WITH ALL BEARINGS BASED UPON MAGNETIC NORTH, INDICED IN THE ABOVE DESCRIPTION. THE RIGHT IS RESERVED TO ADJOINING OWNERS TO ERECT, OR TO ANY OTHER DAY, TIME, AND PLACE, CERTAIN, WITHIN FURTHER PUBLICATION, upon announcement on the day, time, and place of sale of the above described property, and to any other day, time, and place of sale. If you purchase a property at the foreclosure sale, the entire purchase price is due and payable at the conclusion of the auction in the form of a certified check made payable to or endorsed to Padgett Law Group. No personal checks will be accepted. Insufficient funds will not be accepted. In the event of a tie in the bidding, the winning bid will be the highest bid.

Building Supplies

DISCOUNT BUILDING SUPPLY

327-1625
1260 N. HOLLYWOOD
B-5 Mon. - Fri. 8-12 Sat.
1/2 x 4/8 Plywood.....\$18.95
90 lb. Roll Roofing.....\$18.90
Roof Shingles, 1/4".....\$34.90
4/8 Shingles.....\$55.95
12" x 12" Solid Siding.....\$69.95
Lumber, Galvalume & Doors

CHICKASAW LUMBER

CABINETS-WINDOWS

24x48.....\$2.29
4x12 7/16" OSB.....\$12.90
Ceramic Tile.....\$49.95
4x8 1/2" Sheetrock.....\$0.95
6"x12" Tex. Siding.....\$4.95

LUMBER IN STOCK

140 SCOTT STREET • 324-3833

Legal Notices

ONDS WEST, WITH THE WEST LINE OF WATLINGTON, 15 FEET TO AN IRON PIN, BREWER'S PRESENT NORTH LINE, NORTH 86 DEGREES 00 MINUTES 00 SECONDS, 20 SECONDS TO THE POINT OF BEGINNING, CONTAINING A FRACTION OF AN ACRE. Street Address: The street address of the property is believed to be 333 South Hunt Street, Sharon, TN 38255, but such address is not part of the legal description of the property. The legal description herein shall control. Map/Parcel Number: 3190 A 01100-000 Current owner(s) of Property: Kent Vogel. This sale is subject to all matters shown on any applicable recorded plat or plan; any unpaid taxes and assessments; any restrictive covenants, easements or setback lines that may be applicable; rights of redemption, equity, statutory or otherwise, not otherwise waived in the Deed of Trust, including rights of redemption of any governmental agency, state or federal, and any and all prior deeds of trust, liens, dues, assessments, encumbrances, defects, adverse claims and other matters that may take priority over the Deed of Trust upon which this foreclosure sale is conducted or are not extinguished by this foreclosure sale. THE PROPERTY IS SOLD WITHOUT ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, RELATING TO TITLE, POSSESSION, QUIET ENJOYMENT OR THE LIKE AND FITNESS FOR A GENERAL OR PARTICULAR USE OR PURPOSE. This title is believed to be good, but the undersigned will sell and convey only as substitute trustee. The right is reserved to adjourn the sale to another time, certain or to another day, time, and place, certain, within further publication, upon announcement on the day, time, and place of sale of the above described property, and to any other day, time, and place of sale. If you purchase a property at the foreclosure sale, the entire purchase price is due and payable at the conclusion of the auction in the form of a certified check made payable to or endorsed to Padgett Law Group. No personal checks will be accepted. Insufficient funds will not be accepted. In the event of a tie in the bidding, the winning bid will be the highest bid.

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We create an environment where creativity, invention and discovery become reality every day.

Our Jackson, MS facility is hiring full-time CNC Machinists. Ideal candidates possess strong educational or professional machining backgrounds and are flexible to work various shifts in our state of the art climate controlled facility.

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We make what matters work.

Eaton is an equal opportunity and affirmative action employer. Minorities and women are encouraged to apply.

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Legal Notices

refused to the successful purchaser at the time the foreclosure deed is delivered. This property is being sold with the express reservation that the sale is subject to confirmation by the lender or trustee. This sale may be rescinded by the Substitute Trustee at any time. THIS IS AN ATTEMPT TO COLLECT A DEBT, AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE. Padgett Law Group, Substitute Trustee, 6207 Old Water Oak Road, Suite 201, Tallahassee, Florida 32312 PH: (904) 222-2522 FC: (904) 423-5697 FLO#17-010665

SUBSTITUTE TRUSTEE'S SALE

Sale at public auction will be on February 28, 2018 at 11:00AM at the south door, Weakley County Courthouse, 116 West Main Street, Dresden, Tennessee pursuant to Deed of Trust executed by Thomas A. Foley, Sr. and Carrie S. Foley, to Richmond Title Services, Inc., Trustee, as provided for in the Financial Freedom Senior Funding Corporation, a subsidiary of Indevco Bank F.S.B., dated October 24, 2008 at Book 613, Page 88, conducted by Shapiro & Ingle, LLP, having been appointed Substitute or Successor Trustee, all of record in the Weakley County Register's Office. Default has occurred in the performance of the covenants, terms, and conditions of said Deed of Trust and the entire indebtedness has been declared due and payable. Party Entitled to Enforce the Deed of Trust and the entire indebtedness: The following real estate located in Weakley County, Tennessee, will be sold to the highest cash bidder. Described property located at Weakley County, Tennessee, to wit: The land referred to herein is in the 8th Civil District of Weakley County of Weakley County, Tennessee, described as follows: BEGINNING AT A POINT IN THE CENTER OF A COUNTRY ROAD, THENCE NORTH 89° 17' 00" EAST, ALONG THE NORTH LINE OF THE NW 1/4 OF BROWN (NOW HOWELL) TRACT, N 89° 17' 00" EAST, 140 FEET TO A STAKE; THENCE, MAKING AN ANGLE OF 100° 00' 00" WEST, 140 FEET TO A STAKE; THENCE IN A WESTERLY DIRECTION AND PARALLEL WITH ONE OF THE NORTH LINES OF HOWELL, 140 FEET TO THE CENTER OF THE COUNTRY ROAD, THENCE IN A SOUTHERLY DIRECTION WITH THE CENTER OF THE COUNTRY ROAD 290 FEET TO THE POINT OF BEGINNING. THE LAND IS 1.00 ACRES, MORE OR LESS. THIS IS A PART OF THE PROPERTY CONVEYED TO HARP

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We create an environment where creativity, invention and discovery become reality every day.

Our Jackson, MS facility is hiring full-time CNC Machinists. Ideal candidates possess strong educational or professional machining backgrounds and are flexible to work various shifts in our state of the art climate controlled facility.

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Eaton is an equal opportunity and affirmative action employer. Minorities and women are encouraged to apply.

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Legal Notices

I, BURNS AND WIFE, EDNA L. BURNS, BY DEED OF MASON KEMP AND WIFE HOPE KEMP, DATED JULY 13, 1937, OF RECORD IN DEED BOOK 157, PAGE 139, HAVE IN TESTATE SOURCE OF TITLE: BOOK 313, PAGE 216, (RECORDED 12/17/79) Street Address: 214 Burns Rd., Cottage Grove, Tennessee 38224 Parcel Number: 045 531.01 Current Owner(s) of Property: The Heirs of Thomas A. Foley, Sr. The street address of the above described property is believed to be 214 Burns Rd., Cottage Grove, Tennessee 38224, but such address is not part of the legal description of the property sold herein and in the event of any discrepancy, the legal description herein shall control. This sale is subject to, without limitation, all matters shown on any applicable recorded plat, any unpaid taxes that may be applicable; rights of redemption, equity, statutory or otherwise, not otherwise waived in the Deed of Trust, including rights of redemption of any governmental agency, state or federal, and any and all prior deeds of trust, liens, dues, assessments, encumbrances, defects, adverse claims and other matters that may take priority over the Deed of Trust upon which this foreclosure sale is conducted or are not extinguished by this foreclosure sale.

Legal Notices

NOTIFICATION OF INTENT TO APPLY FOR A Certificate of Need

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-1-101, et seq., and the Rules of the Health Services and Development Agency that Padgett Law Group, LLP, 116 West Main Street, Dresden, TN 37521, is a Tennessee limited liability company, and is the owner of the following real estate located in Weakley County, Tennessee, which is being sold to the highest cash bidder. Described property located at Weakley County, Tennessee, to wit: The land referred to herein is in the 8th Civil District of Weakley County of Weakley County, Tennessee, described as follows: BEGINNING AT A POINT IN THE CENTER OF A COUNTRY ROAD, THENCE NORTH 89° 17' 00" EAST, ALONG THE NORTH LINE OF THE NW 1/4 OF BROWN (NOW HOWELL) TRACT, N 89° 17' 00" EAST, 140 FEET TO A STAKE; THENCE, MAKING AN ANGLE OF 100° 00' 00" WEST, 140 FEET TO A STAKE; THENCE IN A WESTERLY DIRECTION AND PARALLEL WITH ONE OF THE NORTH LINES OF HOWELL, 140 FEET TO THE CENTER OF THE COUNTRY ROAD, THENCE IN A SOUTHERLY DIRECTION WITH THE CENTER OF THE COUNTRY ROAD 290 FEET TO THE POINT OF BEGINNING. THE LAND IS 1.00 ACRES, MORE OR LESS. THIS IS A PART OF THE PROPERTY CONVEYED TO HARP

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Attachment A – 3C

Consent Calendar Request

Michael D. Brent

Partner
mbrent@bradley.com
615.252.2361 direct



January 11, 2018

Ms. Melanie M. Hill
Tennessee Health Services & Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, Tennessee 37243

Dear Melanie:

Enclosed you will find an original, plus two copies, of a CON Application by Open Arms Care Corporation, for the replacement and relocation of an eight-person Intermediate Care Facility for Individuals with Intellectual Disabilities ("ICF/IID"). The current facility is located at 5380 Benjestown Road, Memphis (Shelby County), Tennessee 38127, and will be relocated to a two-parcel lot in Shelby County, Tennessee consisting of approximately 3 acres, one parcel of which is currently addressed as 8949 Macon Road, Cordova, Tennessee while the adjacent parcel does not currently have a separate street address. As we have previously discussed with your staff, given the nature of this application, and the fact this is a replacement of a facility that has been in operation nearly three decades by this applicant, we request that you give consideration to placing this application on the "Consent Calendar."

Should you have any questions or need anything further, please do not hesitate to contact me.

Very truly yours,

BRADLEY ARANT BOULT CUMMINGS LLP

A handwritten signature in black ink, appearing to read "Michael D. Brent".

Michael D. Brent

MDB/ced
Enclosure

Attachment A - 4

List of Open Arms Facilities

OPEN ARMS CARE CORPORATION TENNESSEE FACILITIES

Institutional Habilitation – MR Licensed Facilities						
Address	City	County	Zip	Licensed Beds	Medicaid Number	DIDD License Number
6850 Burkitt Road	Antioch	Davidson	37013	8	744-7059	L000000013139
6854 Burkitt Road	Antioch	Davidson	37013	8	744-7058	L000000013138
5821 Cane Ridge Road	Antioch	Davidson	37013	8	744-7063	L000000013140
5825 Cane Ridge Road	Antioch	Davidson	37013	8	744-7064	L000000013141
2411 Miller St	Nashville	Davidson	37211	8	744-7055	L000000013142
2415 Miller St	Nashville	Davidson	37211	8	744-7056	L000000013143
6120 Mt. Pisgah Road	Nashville	Davidson	37211	8	744-7057	L000000013137
13312 Old Hickory Blvd	Antioch	Davidson	37013	8	744-7065	L000000013136
3997 Chuckey Road	Chuckey	Greene	37641	4	744-7248	L000000015457
1404 East Church Street	Greeneville	Greene	37745	4	744-7246	L000000015413
1406 East Church Street	Greeneville	Greene	37745	4	744-7244	L000000015410
10535 N. Hwy 58	Ooltewah	Hamilton	37363	8	744-7070	L000000013701
10539 N. Hwy 58	Ooltewah	Hamilton	37363	8	744-7071	L000000013702
11419 N. Hwy 58	Georgetown	Hamilton	37336	8	744-7062	L000000013703

Institutional Habilitation – MR Licensed Facilities						
Address	City	County	Zip	Licensed Beds	Medicaid Number	DIDD License Number
11421 N. Hwy 58	Georgetown	Hamilton	37336	8	744-7060	L000000013704
7841 Sims Road	Harrison	Hamilton	37341	8	744-7069	L000000013705
7845 Sims Road	Harrison	Hamilton	37341	8	744-7068	L000000013706
9253 Snow Hill Road	Ooltewah	Hamilton	37363	8	744-7066	L000000013707
9255 Snow Hill Road	Ooltewah	Hamilton	37363	8	744-7067	L000000013708
7817 Gamble Road	Georgetown	Hamilton	37336	4	744-7254	L000000015538
7815 Gamble Road	Georgetown	Hamilton	37336	4	744-7253	L000000016887
7812 Ball Camp Pike	Knoxville	Knox	37931	8	744-7052	L000000013746
7814 Ball Camp Pike	Knoxville	Knox	37931	8	744-7053	L000000013748
6010 Clayberry Dr	Knoxville	Knox	37931	8	744-7042	L000000013750
6011 Clayberry Dr	Knoxville	Knox	37931	8	744-7043	L000000013749
6505 Emory Road	Knoxville	Knox	37931	8	744-7050	L000000012989
6509 Emory Road	Knoxville	Knox	37931	8	744-7051	L000000012990
5407 Western Ave.	Knoxville	Knox	37921	8	744-7048	L000000013752

Institutional Habilitation – MR Licensed Facilities						
Address	City	County	Zip	Licensed Beds	Medicaid Number	DIDD License Number
5411 Western Ave.	Knoxville	Knox	37921	8	744-7049	L000000013751
1811 Bishops Bridge Road	Knoxville	Knox	37922	4	744-7247	L000000015456
1819 Bishops Bridge Road	Knoxville	Knox	37922	4	744-7245	L000000015416
12625 S. Northshore Drive	Knoxville	Knox	37922	4	744-7250	L000000015463
12629 S. Northshore Drive	Knoxville	Knox	37922	4	744-7251	L000000015523
4695 Allendale Dr.	Memphis	Shelby	38128	8	744-7046	L000000013496
4707 Allendale Dr.	Memphis	Shelby	38128	8	744-7047	L000000013497
5350 Benjestown Road	Memphis	Shelby	38128	8	744-7037	L000000013495
5380 Benjestown Road	Memphis	Shelby	38128	8	744-7038	L000000013494
1445 Greendale Ave.	Memphis	Shelby	38127	8	744-7039	L000000013498
1457 Greendale Ave.	Memphis	Shelby	38127	8	744-7040	L000000013499
4240 Raleigh-Millington Road	Memphis	Shelby	38128	8	744-7044	L000000013500

Institutional Habilitation – MR Licensed Facilities						
Address	City	County	Zip	Licensed Beds	Medicaid Number	DIDD License Number
4254 Raleigh-Millington Road	Memphis	Shelby	38128	8	744-7045	L000000013501

Licensed Day Treatment Centers						
Address	City	County	Zip	Licensed Beds	Medicaid Number	DIDD License Number
6711 Mountain View Road	Ooltewah	Hamilton	37363	N/A	N/A	L000000012791
5731 Ooltewah-Ringgold Road	Ooltewah	Hamilton	37363	N/A	N/A	L000000012792
7810 Ball Camp Pike	Knoxville	Knox	37931	N/A	N/A	L000000013747
5120 Yale Road	Memphis	Shelby	38134	N/A	N/A	L000000013486
2020 Johnson Industrial Blvd.	Nolensville	Williamson	37135	N/A	N/A	L000000013144

Attachment A - 4A

Organizational Documents



Tre Hargett
Secretary of State

Division of Business Services

Department of State

State of Tennessee

312 Rosa L. Parks AVE, 6th FL

Nashville, TN 37243-1102

BRADLEY ARANT BOULT CUMMINGS LLP
1600 DIVISION STREET SUITE 700
NASHVILLE, TN 37203

October 11, 2017

Request Type: Certificate of Existence/Authorization
Request #: 0253509

Issuance Date: 10/11/2017
Copies Requested: 1

Document Receipt

Receipt #: 003612622

Filing Fee: \$20.00

Payment-Credit Card - State Payment Center - CC #: 3712856250

\$20.00

Regarding: OPEN ARMS CARE CORPORATION

Filing Type: Nonprofit Corporation - Foreign

Formation/Qualification Date: 04/14/1989

Status: Active

Duration Term: Perpetual

Control #: 214758

Date Formed: 12/29/1986

Formation Locale: GEORGIA

Inactive Date:

CERTIFICATE OF AUTHORIZATION

I, Tre Hargett, Secretary of State of the State of Tennessee, do hereby certify that effective as of the issuance date noted above

OPEN ARMS CARE CORPORATION

- * a Corporation formed in the jurisdiction set forth above, is authorized to transact business in this State;
- * has paid all fees, taxes and penalties owed to this State (as reflected in the records of the Secretary of State and the Department of Revenue) which affect the existence/authorization of the business;
- * has filed the most recent annual report required with this office;
- * has appointed a registered agent and registered office in this State;
- * has not filed an Application for Certificate of Withdrawal.

Tre Hargett
Secretary of State

Processed By: Cert Web User

Verification #: 024541823

STATE OF GEORGIA

Secretary of State

Corporations Division

313 West Tower

2 Martin Luther King, Jr. Dr.

Atlanta, Georgia 30334-1530

CERTIFICATE OF EXISTENCE

I, **Brian P. Kemp**, the Secretary of State of the State of Georgia, do hereby certify under the seal of my office that

OPEN ARMS CARE CORPORATION

a Domestic Nonprofit Corporation

was formed in the jurisdiction stated below or was authorized to transact business in Georgia on the below date. Said entity is in compliance with the applicable filing and annual registration provisions of Title 14 of the Official Code of Georgia Annotated and has not filed articles of dissolution, certificate of cancellation or any other similar document with the office of the Secretary of State.

This certificate relates only to the legal existence of the above-named entity as of the date issued. It does not certify whether or not a notice of intent to dissolve, an application for withdrawal, a statement of commencement of winding up or any other similar document has been filed or is pending with the Secretary of State.

This certificate is issued pursuant to Title 14 of the Official Code of Georgia Annotated and is prima-facie evidence that said entity is in existence or is authorized to transact business in this state.

Docket Number : 14929940
Date Inc/Auth/Filed: 12/29/1986
Jurisdiction : Georgia
Print Date : 10/11/2017
Form Number : 211



B: P. Kemp

Brian P. Kemp
Secretary of State

J704339
33420756

**ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
OPEN ARMS CARE CORPORATION**

1.

The name of the corporation is Open Arms Care Corporation (the "Corporation").

2.

Effective on the date of filing these Articles of Amendment, a new Article XII shall be deemed added to the Articles of Incorporation, which shall read as follows:

"XII.

No director of the Corporation shall have any liability to the Corporation or to its members, if any, for monetary damages for any action taken, or any failure to take any action, as a director, except liability:

- (A) For any appropriation, in violation of his or her duties, of any business opportunity of the Corporation;
- (B) For acts or omissions which involve intentional misconduct or a knowing violation of law;
- (C) For the types of liability set forth in Sections 14-3-860 through 14-3-864 of the Official Code of Georgia Annotated; or
- (D) For any transaction from which the director received an improper personal benefit.

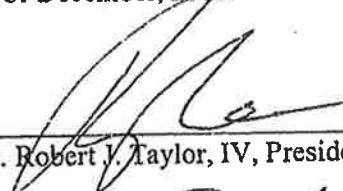
Provided, however, that the provisions of this Article XII shall not be effective for any act or omission occurring prior to December 5, 2003."

3.

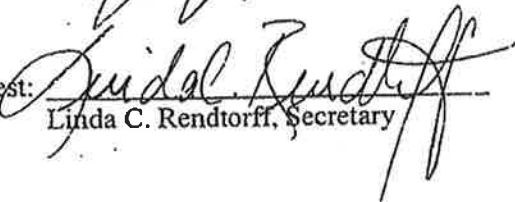
These Articles of Amendment were adopted by the Board of Directors of the Corporation on December 5, 2003.

IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment to be executed by its duly authorized officers this 5th day of December, 2003.

By:


Mr. Robert J. Taylor, IV, President

Attest:


Linda C. Rendtorff, Secretary

SECRETARY OF STATE

2003 DEC -8 P 1:27

CORPORATIONS DIVISION

ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
REBOUND CARE CORPORATION

003130979
5704339
002940187 (WR)

1.

The name of the corporation is Rebound Care Corporation (the "Corporation").

2.

Effective the date of filing this Articles of Amendment, Article I of the Articles of Incorporation of the Corporation is amended by deleting the existing Article I in its entirety, and by substituting the following therefor:

1.

The name of the corporation is Open Arms Care Corporation (the "Corporation").

3.

This amendment was unanimously adopted by the board of directors of the Corporation as of November 2, 2000.

4.

Action by the members of the Corporation was not required for the adoption of this amendment.

5.

The undersigned hereby certifies that the request for publication of a notice of intent to file Articles of Amendment to change the name of Rebound Care Corporation to Open Arms Care Corporation and payment therefor have been made as required by Section 14-3-1005.1 of the Georgia Nonprofit Corporation Code.

IN WITNESS WHEREOF, the Corporation has caused this Articles of Amendment to be executed by its duly authorized officer as of November 2, 2000.

REBOUND CARE CORPORATION

RECEIVED
62:1 11 5-12-00
STATE OF GEORGIA

By: [Signature]
Name: ROBERT J. TAYLOR, IV
Title: PRESIDENT



CERTIFICATE

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
REBOUND CARE CORPORATION

THIS DOCUMENT RECEIVED
AND FILED IN THE OFFICE
OF THE SECRETARY OF STATE

BY: Sandra J. Baker

DATE: 3/27/89

TRANSACTION # 89086112

CHARTER # Y704339

WE, the undersigned, James P. Kelly and Brynda J. Baker, being respectively the President and Secretary of REBOUND CARE CORPORATION, a corporation incorporated on December 29, 1986, under the laws of the State of Georgia and assigned Charter Number 8704339, do hereby certify as follows:

1. The name of the corporation is REBOUND CARE CORPORATION (the "Corporation").

2. The Corporation is organized pursuant to the Georgia Business Corporation Code.

3. These Amended and Restated Articles of Incorporation of the Corporation were authorized by the directors and shareholders of the Corporation by unanimous written consent dated January 3, 1989.

4. These Amended and Restated Articles of Incorporation restate and integrate and further amend the provisions of the original Articles of Incorporation, as heretofore amended, by providing for the conversion of the Corporation to a non-profit corporation organized pursuant to the provisions of the Georgia Nonprofit Corporation Code.

5. The text of the Articles of Incorporation, as restated and integrated and as further amended hereby, is restated to read as herein set forth in full:

I.

Name

The name of the Corporation shall be:

REBOUND CARE CORPORATION.

II.

Nonprofit Corporation

The Corporation shall be a nonprofit corporation organized and operated under the Georgia Nonprofit Corporation Code.

III.

Perpetual Duration

The period of duration of the corporation shall be perpetual.

IV.

Charitable Purposes

The Corporation is organized exclusively for charitable, religious, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code. The Corporation shall serve only such purposes and functions and shall engage only in such activities as are consonant with

the purposes set forth in this Article IV and as are exclusively charitable and are entitled to charitable status under Section 501(c)(3) of the Internal Revenue Code.

V.

Publicly Supported Tax-Exempt Nonprofit Corporation

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its members, directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article III hereof. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

It is intended that the Corporation shall have, and continue to have, the status of an organization which is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code and which is other than a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. All terms and provisions of these Articles of Incorporation and the Bylaws of the corporation and all authority and operations of the Corporation, shall be construed, applied and carried out in accordance with such intent.

VI.

Board of Directors

The Board of Directors shall have general charge of the affairs and any property and assets of the Corporation. It shall be the duty of the directors to carry out the purposes and functions of the Corporation. The directors shall be elected in accordance with the Bylaws of the Corporation and shall have the powers and duties set forth in these Articles of Incorporation and in the Bylaws, to the extent that such powers and duties are not inconsistent with the status of the Corporation as a nonprofit corporation which is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code and which is other than a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

The Corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code.

The Corporation shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code.

The Corporation shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code.

The Corporation shall not make any investments in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code.

The Corporation shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code.

VII.

Members

The Board of Directors of the Corporation shall have the power to admit members to the Corporation in such manner, subject to such qualifications, and upon such terms and conditions and with such rights and privileges as may be provided from time to time in the Bylaws of the Corporation and as are not inconsistent with any provision of these Articles of Incorporation. Members may be divided into one or more classes.

VIII.

Dissolution

Upon the dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of all of the assets of the Corporation exclusively for the purposes of the Corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code, as the Boards of Directors shall determine. Any such assets not so disposed of shall be disposed of by the Superior Court of Fulton County, Georgia exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

IX.

Powers

Except as limited and prescribed by the specific provisions of these Articles, the Corporation shall exercise all powers which now or hereafter may be conferred by law upon a nonprofit corporation organized for the purposes hereinabove set forth, including the power to enter into any

contract of guaranty, suretyship, or endorsement where the corporation guaranteeing has no direct interest in the subject matter of the contract guaranteed as well as the power to make any purely accomodation guaranty, endorsement or contract of suretyship.

The Corporation shall have the power to indemnify its officers, directors, employees and agents and to purchase and maintain liability insurance on their behalf, to the extent provided in and subject to the limitations of the Georgia Nonprofit Corporation Code.

The Corporation shall have power to receive and accept donations, in money or in property, either without restriction, or restricted to such purposes as the donor may provide, provided such purpose is within the purpose of this Corporation, and any such restricted donations shall be used for the purposes to which restricted. Any such donation or contribution may be designated as a memorial and, in such case, the Director shall designate an appropriate memorial.

X.

Definitions

For purposes of these Articles of Incorporation, "charitable purposes" include charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, contributions for which are deductible under Section

170(c)(2) of the Internal Revenue Code. All references in these Articles of Incorporation to sections of the Internal Revenue Code shall be considered references to the Internal Revenue Code of 1986, as from time to time amended, and to the corresponding provisions of any applicable future United States Internal Revenue Law, and to all regulations issued under such sections and provisions.

XI.

Amendments

These Articles of Incorporation may be amended at any time and from time to time by the affirmative vote of a majority of all of the directors then in office.

6. The vote of a majority of the shareholders entitled to vote thereon is required to amend the Articles of Incorporation. The foregoing Amended and Restated Articles of Incorporation of the Corporation were adopted by the unanimous written consent of the holders of all of the Corporation's six hundred (600) shares outstanding and entitled to vote thereon.

7. These Amended and Restated Articles of Incorporation supersede the original articles of incorporation as heretofore amended.

IN WITNESS WHEREOF, REBOUND CARE CORPORATION, has caused these Amended and Restated Articles of Incorporation to be executed and its corporate seal to be affixed and has caused same to be attested, all by its duly authorized officers, on the 22nd day of March, 1989.

REBOUND CARE CORPORATION

By

James P. Kelly
James P. Kelly
President

ATTEST:

Brynda J. Baker
Brynda J. Baker
Secretary

(CORPORATE SEAL)

Mar 23 8 50 PM '89
SECRETARY OF STATE

Attachment A - 5

Management Agreement

INTEGRA PRINCIPALS

George Stevens

George Stevens is Integra's Chief Executive Officer, overseeing the management of the company. George has more than thirty years' experience in medical delivery system development and mergers and acquisitions of health care and related businesses.

Joseph Torrence

Joe Torrence assists with the financial structuring of matters for Integra's clients. Joe has more than forty years of experience in the affordable housing field, beginning with a role in the Tennessee Housing Development Agency, which he followed up with an investment banking role related to affordable housing. Joe also has significant experience owning and operating affordable housing.

Richard Brown

Dick Brown oversees development and strategic planning for Integra. Former general counsel to the Tennessee Department of Mental Health and Retardation (now known as DIDD), Dick also has extensive experience in capital facilities financing and is also a former investment banker. Dick founded Oak Hill Advisors, a Nashville-based financial advisory firm providing services for capital market transactions, public / private partnerships and strategic development initiatives for clients in the government, health care, housing and real estate sectors and non-profit organizations.

Jeff Mastroleo

Jeff Mastroleo oversees financial planning and structuring for Integra and its clients. Managing Director of Healthcare Banking at Hancock Bank, Jeff has a record of profitability and prudent growth. He has been successful in establishing deep internal/external relationships; developing and managing to appropriate financial metrics; and, passionately pursuing excellence. Expertise includes commercial healthcare, municipal finance, and treasury/cash management. Previously he served as Senior Vice President of Healthcare for Community Bank, and before that was Senior Vice President, Healthcare Banking Group, of First Tennessee Bank.

AGREEMENT TO PROVIDE MANAGEMENT SERVICES

OPEN ARMS-Shelby #4

____ Macon Road, Cordova (Shelby County), Tennessee 38018

Integra Resources, LLC, Manager

and

Open Arms Care Corporation, doing business as

OPEN ARMS--____Macon Road, Owner

MANAGEMENT AGREEMENT

OPEN ARMS--____Macon Road

THIS MANAGEMENT AGREEMENT ("Agreement"), effective as of _____, 2018, between OPEN ARMS CARE CORPORATION, a Georgia nonprofit corporation, doing business as OPEN ARMS--____Macon Road ("Open Arms"), and INTEGRA RESOURCES, LLC, a Tennessee limited liability company ("Integra").

RECITALS:

WHEREAS, Open Arms, desires to provide for management of a facility providing intermediate care services for individuals with intellectual disabilities ("ICF/IID") located at _____ Macon, Cordova (Shelby County), Tennessee 38018, commonly referred to as OPEN ARMS----____Macon Road (the "Facility") by Integra; with a Facility-specific TennCare provider number to be issued by the State of Tennessee after the Certification Date (as defined in the Lease described below); and

WHEREAS, Integra desires to be engaged by Open Arms to provide such services;

NOW THEREFORE, the parties hereto, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, agree as follows:

1. **Open Arms as Provider.** Open Arms, as the official provider of record for TennCare/Medicaid purposes, shall hold all authorizations and licenses necessary or incidental thereto with respect to the Facility. Notwithstanding any other provision to the contrary herein contained, Open Arms shall at all times exercise ultimate control over the assets and operation of the Facility. It is understood and agreed that the relationship between the parties hereto is that of independent contractors, and nothing herein contained shall be deemed to create or authorize the creation of the relationship of partnership or joint venture between said parties.

2. **Integra's Obligations.** In accordance with the provisions of this Agreement, Integra shall assume day to day operational responsibility for each Facility and shall manage and operate the Facility efficiently in accordance with the standards prevailing in the ICF/IID industry. Without limitation, during the term of Integra's management of the Facility hereunder, Integra shall perform the following specific management services for Open Arms with respect to the Facility:

(a) In general, manage the Facility so as to meet all requirements of state and federal licensing, and reimbursement certification (as well as to meet the prevailing standards for applicable quality assurance and accreditation groups pertaining to the Facility), all as applicable to an ICF/IID facility, and provide care for the Facility's residents, which care shall include but shall not be limited to the providing or monitoring of:

- (i) the medical and psychological condition of the residents, including maintenance of medical records;
- (ii) the activities, both personal and familial, of the residents;
- (iii) the dietary requirements of the residents;
- (iv) physical therapy and day services programs for the residents; and
- (v) the quality of life of the residents.

(b) Provide care and treatment to all of the Facility's residents, protecting their rights pursuant to applicable state and federal law, including laws pertaining to safe-guarding and accounting for residents' personal funds.

(c) Maintain each Facility and its premises in a state of good operating condition and repair, reasonable wear and tear excepted, and in a manner that conforms to the obligations of Open Arms pursuant to a Lease Agreement dated as of _____, 2018 between Open Arms, as tenant, and Facilities Development Group, LLC, as landlord ("Landlord") (the "Lease"), and the Omnibus Agreement for Leases, dated as of the date hereof, between Open Arms and Facilities Development Group, LLC, (the "Omnibus Agreement").

(d) Provide well-qualified Integra employees to serve as the Market Area Director for the area where the Facility is located, senior "home office" management staff and other staff, all as required to meet Integra's obligations under this Agreement, which employees will have overall authority for the day to day operation and management of the Facility. The remaining day-to-day staff of the Facility, including the Facility administrator or director, shall consist of employees of Open Arms, provided, however, that Integra shall have full authority within the scope of this Agreement and the applicable approved annual Budget, to manage, hire, train, determine compensation for and, at Integra's discretion, fire such staff and employees. Integra covenants that it shall not discriminate against any such employee or any member of such staff, or applicant therefor, because of race, religion, color, national origin, sex, handicap, military status, age, or any other basis protected by law, all in accordance with applicable law.

(e) Subject to the limitations of Section 5 hereof, purchase on commercially reasonable terms in Open Arms' name and behalf, all equipment, repairs, improvements, furniture and fixtures required for the efficient operation of the Facility and to maintain the Facility in a state of good operating condition and repair, commensurate with the standards and quality of other similar facilities.

(f) Subject to the limitations of Sections 4(b) and 5 hereof, contract with third parties, at commercially reasonable terms and rates, in Open Arms' name and behalf, for the rendition of the following services to Open Arms and to clients of Open Arms: (i) therapy services, e.g. occupational, speech and physical; (ii) medical services, e.g. medical doctors, nurses, pharmacists, psychologists, dentists and dieticians; and (iii)

services related to maintenance of heating, ventilation and air conditioning, plumbing, security and other building and equipment systems, alarms, telecommunication systems, vehicles and copiers, all such services to be rendered at the Facility in the ordinary course of business (hereinafter referred to as "Routine Services"). Additionally, with the prior written consent of Open Arms, which shall not be unreasonably withheld, Integra may sub-contract its management duties in the areas of ancillary services, financial services, accounting services, human relations services, staff development services, governmental relations and policy and forms development to one or more sub-contractors reasonably chosen by Integra, and which may be related to Integra (with any costs associated with such sub-contracting to be the sole expense of Integra). Otherwise, with respect to its obligations hereunder, Integra shall not contract with any Affiliate of Integra or its officers or directors. For purposes of this Agreement, an Affiliate shall mean any other person or entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, Integra. The term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of Integra, whether through the ownership of voting securities, by contract or otherwise ("Affiliate"). Integra's authority to contract under this Section 2(f) shall include the authority to amend, modify or terminate any such contract.

(g) Integra will on a regular basis direct and coordinate the development of operational policies and procedures for the Facility and submit such recommendations to Open Arms for its input, review and approval. Integra will annually review and, as appropriate, prepare recommendations as to changes in operational policies and procedures for the Facility and submit such recommendations to Open Arms for its review and approval. Said policies and procedures shall meet all applicable state and federal licensing and reimbursement certification requirements, as well as the requirements of such quality assurance and accreditation groups as may have jurisdiction over the Facility.

(h) Perform all accounting, bookkeeping, and record keeping functions to enable Open Arms to meet the financial reporting, record keeping, and budgetary requirements of (x) the Lease (and any lender to the Landlord, as may be required by the Lease) (y) all applicable statutes, rules or regulations of governmental agencies and (z) Open Arms as described in this Agreement. All such reporting and record keeping shall be maintained on a calendar year, accrual basis. Integra shall arrange for the timely annual audit of the financial statements of Open Arms, and the preparation of the cost reports for the Facility by a nationally recognized firm of independent certified public accountants selected by Open Arms. The accounting and other services to be performed by Integra hereunder or under Integra's supervision with respect to the Facility shall include, but not be limited to the following:

- (i) The preparation of monthly financial statements of operations and statistical reports for the Facility and combined monthly statements of operations for the Facility to be submitted to Open Arms within twenty-five (25) days after the end of each month.

- (ii) The maintenance of all records for resident billing, billing for all accounts receivable and (to the extent practicable without undue expenditure of funds) collection of same and recommendations to Open Arms for write-offs of uncollectible accounts receivable or contracted adjustments and the reasons for such recommendations.
- (iii) The maintenance of all records for accounts payable and the payment of the same.
- (iv) The preparation of support schedules and analyses for TennCare/Medicaid cost reports and Federal Form 990 information returns; and the review of Federal Form 990 returns and TennCare/Medicaid cost reports as prepared by external auditors.
- (v) The preparation of all necessary reports and returns for all sales, use, ad valorem (for both real and personal property) and occupancy taxes.
- (vi) The maintenance of a complete general ledger recording and summarizing the transactions of the Facility.
- (vii) The maintenance of any other records required by the Lease.
- (viii) The maintenance of records relating to the budgeting, approval, purchase, payment and reimbursement for capital improvement items (whether paid from the Reserve, the Depreciation Reserve Fund, or from capital improvement term loan advances (all as defined and described in the Omnibus Agreement, collectively "Capital Expenditures"); the generation and distribution of monthly reports on activity, and the preparation of reimbursement requests.
- (ix) By the 25th day of the month following each calendar quarter and by the 25th day after each change in the Budget (as defined in Section 2(i) hereof), the delivery to Open Arms of a written report and analyses showing calculations with respect to Open Arms' compliance with each rate and liquidity covenant in the Lease for the period(s) in question.
- (x) No later than the 25th day following the end of each calendar quarter, Integra shall prepare and submit to Open Arms a proposed quarterly cash flow budget projecting cash receipts and disbursements for the fifteen (15) months that begin with that quarter, based on the proposed operating and capital budgets, together with recommendations as to the use of projected cash flow in excess of short-term operating requirements and/or as to the sources and amounts of additional cash flow that may be required

to meet operating requirements and capital requirements. Integra shall revise the cash flow budget quarterly and submit said revised cash flow budget to Open Arms in accordance with the schedule described above in this Section h(x).

(i) The Facility annual operating budget (the “Budget”) for the calendar year 2018 shall be attached hereto as Exhibit A, after finalization and approval in writing by each party hereto on or before the Certification Date. For each subsequent calendar year, Integra shall prepare and submit to Open Arms, no later than sixty (60) days before the beginning of each subsequent calendar year (unless a written extension of no more than twenty (20) days is granted by Open Arms), a proposed Facility annual budget, in the same format as Exhibit A, covering the operation of the Facility as follows:

- (i) An annual operating budget setting forth an estimate of consolidated operating revenues and expenses of the Facility for the next calendar year, together with an explanation of anticipated changes in Facility utilization, reimbursement rates, staffing plan, scheduled training plan, non-wage costs, and all other factors differing significantly from the current year.
- (ii) A three-year cash flow budget projecting cash receipts and disbursements for the next twelve (12) calendar quarters based on proposed operating and capital budgets, together with recommendations as to the use of projected cash flow in excess of operating requirements and/or as to the sources and amounts of additional cash flow that may be required to meet operating requirements and capital requirements.
- (iii) An annual capital needs budget setting forth an estimate of anticipated capital expenditures anticipated to be needed for the Facility for the next calendar year, to be presented to the Landlord pursuant to the Lease.
- (iv) At any other time that Integra reasonably determines that a current budget is not feasible, Integra shall submit promptly a revised budget to Open Arms for approval, together with a written explanation of the basis for any modification from the budget previously approved by Open Arms. Open Arms shall not unreasonably withhold its approval of the budgets (including any revised budget) submitted by Integra. In the event Open Arms fails to approve a budget submitted by Integra for any subsequent year, the operating budget for such year will be the budget of the previous year plus a three percent (3%) escalation of the total amount thereof.

(j) Use its best efforts to operate the Facility in accordance with the provisions of the Budgets submitted to and approved in writing by Open Arms.

(k) Subject to the limitations of Section 16 hereof, act as Open Arms' agent and diligently and competently represent Open Arms in any matter involving operational issues, management issues, governmental issues, legislative issues and administrative issues, after promptly notifying Open Arms in writing of any such matter (other than notification of such matters that are reasonably deemed immaterial by Integra in scope and occur in the ordinary course of business, which notification shall not be required), said matters to include but not be limited to (i) any actions or determinations of or before any governmental agencies, including but not limited to those related to licensure of Open Arms or the Facility and TennCare/Medicaid rate adjustments; (ii) ad valorem tax liabilities or valuation determinations; (iii) EEOC issues or complaints or (iv) contracts necessary to perform day to day operational responsibilities.

(l) Operate the Facility in accordance with Open Arms' obligations under the Lease and other third-party contracts related to the operation of the Facility, and properly and punctually will perform all of Integra's obligations under this Agreement, unless otherwise directed by Open Arms, in a manner to cause Open Arms' compliance with its obligations under the Lease and said third-party contracts. Except as otherwise set forth herein, including but not limited to Section 5 hereof, Integra shall have no obligation to be financially responsible for funding any Costs of Operation (as that term is defined in Section 4(b)) or for funding the cost of any repairs, renewals or replacements, or make any payments under the terms of the Lease except from Open Arms' funds unless the need for any such payment, repair, renewal or replacement arises as a result of the negligence, malfeasance or breach of this Agreement by Integra. Nothing herein shall constitute a guarantee by Integra that the Facility, whether individually or collectively, will be able to meet the covenants or requirements set forth in the Lease or any other level of financial performance.

(m) Cause its representatives reasonably requested by Open Arms to attend quarterly meetings of the Board of Directors of Open Arms (and such other meetings of such Board as Open Arms may reasonably request) for the purpose of providing information and advice concerning the management of and issues related to the Facility. The direct out-of-pocket costs and expenses of attending any such meetings shall be deemed a part of the Costs of Operation.

(n) Arrange for architectural, engineering, and construction services in connection with any and all subsequent capital improvements to the Facility, and diligently oversee on behalf of Open Arms the construction of such capital improvements.

(o) Manage the Facility in a manner consistent with the maintenance of Open Arms' section 501(c)(3) status. In particular, but without limitation, Integra shall not evict any resident from the Facility for inability to pay any fees or charges without the prior written consent of Open Arms.

(p) Engage in all governmental and community relations activities which are reasonably appropriate for the successful reputation and operation of the Facility, and

maintain good communications with governmental and other organizations, in regard to the operation and management of the Facility.

(q) Subject to the limitations of Section 5 hereof and Open Arms' prior written approval, contract, at commercially reasonable terms and rates, in Open Arms' name and behalf, for the following:

- (i) Insurance, including commercial auto, general and professional liability, workers compensation, property, excess liability and fidelity;
- (ii) Employee benefits, including medical/hospital and life insurance for the Open Arms employees. Integra will coordinate audits necessary to verify the accuracy of submissions estimates and will provide the necessary policy maintenance services as required by the insurance carrier and the provisions of the insurance contracts.

(r) In conjunction with each insurance policy renewal or change in insurance coverage, provide Open Arms with a written understandable explanation of the new coverage's insurance benefits, claims procedures, and other pertinent information related to the new coverage, as well as the cost and experience history for the immediately preceding insurance coverage provided to Open Arms' employees.

(s) No later than the 30th day following the end of each month, provide Open Arms' Board of Directors with a written review of current operations, including information concerning periodic service reviews performed by Integra, and such other operational reporting reasonably sufficient for Open Arms' oversight responsibilities, including reporting of surveys, response to surveys, abuse reports and other special concerns.

Notwithstanding anything herein to the contrary, Open Arms shall have all the requisite power and authority to operate the Facility as shall be required by the State of Tennessee at the level of power and authority to be possessed by the licensed operator of a facility such as the Facility in the State of Tennessee.

Notwithstanding the foregoing, Integra may begin assisting with the transition of the Facility to the services to be provided pursuant to this Agreement up to fifteen (15) days in advance of the effective date of this Agreement.

3. **Open Arms' Rights and Obligations.** During the term of Integra's management of the Facility hereunder, the obligations of Open Arms with respect to the management of the Facility shall consist of the following:

(a) In writing during the second quarter of each calendar year, and orally at each meeting of Open Arms' Board of Directors, to furnish to Integra a report on the goals and general policies of Open Arms and their implementation, as well as procedural guidance and direction for the operation of the Facility. Additionally, Open Arms shall

periodically appoint and replace, in the discretion of Open Arms, individuals to serve on any "joint operating committee" for the Facility or similar group to oversee and offer advice to Integra with respect to the day-to-day operations of the Facility.

(b) At any time and from time to time, to examine, observe, and inspect the Facility, and any and all records and reports applicable thereto and to the services and functions of Integra.

(c) To consider the approval of the Budgets and annual plans submitted by Integra for the operation of the Facility, which approval shall not be unreasonably withheld.

(d) With the recommendation and assistance of Integra, to establish operating policies, standards of operation, admission policies, standards of service and maintenance and resident rates and other charges for the Facility's residents. Further, Open Arms, as Lessee, agrees to use diligent good faith efforts to comply with all of its obligations set forth in the Lease, without limitation on Integra's contractual obligations to effect such compliance on Open Arms' behalf.

(e) To assist with the establishment of policies affecting the Facility or the operation thereof which are not inconsistent with the responsibilities assigned to Integra under the terms of this Agreement.

(f) To play an active role in promoting the good will and public image of the Facility, their residents and, to the extent appropriate, Integra.

(g) To cooperate with Integra in executing all forms and returns required pursuant to applicable taxing statutes, rules and regulations and applicable governmental reimbursement programs.

(h) To use diligent good faith efforts to maintain its status as a corporation which is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as amended, (the "Code") and which is not a private foundation.

(i) To maintain its status as provider of record within the State of Tennessee, including but not limited to maintaining records and Board of Directors minutes addressing goals and services actually received under this Agreement, and the continuing need and effectiveness of such services.

Notwithstanding anything herein to the contrary, Open Arms shall have all the requisite power and authority to operate the Facility as shall be required by the State of Tennessee at the level of power and authority to be possessed by the licensed operator of a facility such as the Facility in the State of Tennessee.

4. Revenues, Costs of Operations and Management Fee.

(a) During the term of Integra's management of the Facility hereunder, all revenues payable to the Facility shall be deposited into and paid out of one or more bank accounts established by Integra on behalf of Open Arms at a financial institution selected by Integra and approved by Open Arms and Facility Mortgagee under the Lease, which approval shall not be unreasonably withheld, all in accordance with the provisions of any "Deposit Account Control Agreement" ("DACA") or similar agreement required pursuant to the Lease. Such revenues and other amounts shall be utilized for the payment of the following items on a monthly basis in the following order of priority: (i) the Costs of Operation; (ii) payments of rent; (iii) any outstanding cash advances made by Integra (pursuant to Section 5 below); (iv) any Management Fee (as defined in Section 4(c) below) for any prior periods; and (v) the Management Fee for the current period. Notwithstanding any modification or termination of the Lease, Open Arms shall make, or cause to be made, the payments specified above to Integra in an order of priority at least as favorable to Integra as that order required by the Lease prior to any modification or termination of the Lease subsequent to the date hereof. If the Revenues (as defined in the Lease) shall be insufficient to pay all of the amounts described in clauses (i) through (iv) of this paragraph, then such amounts shall be paid from and out of any other available funds in accordance with and subject to the limitations as set forth in the Lease.

(b) The Costs of Operation shall consist of (i) all costs and expenses properly incurred in the operation and management of the Facility and day services programs in accordance with the provisions of this Agreement, including matters referred to herein as Integra's responsibility, including but not limited to any salary, compensation, expense reimbursement or payments to, or benefits for, employees of Open Arms or Integra who work at the Facility (including Market Area Directors formerly employed by Open Arms and now employed by Integra) and the costs of repairs to, and maintenance of, the Facility (but not the cost of Capital Expenditures), (ii) all premiums or charges for insurance coverage as described herein with respect to the operations of the Facility or the employees described above, (iii) direct expenses and costs incurred in connection with the purchase of necessary supplies for the Facility, the furnishing of utilities to the Facility and other necessary services furnished by independent contractors for the Facility, (iv) any audit adjustments or payments required in connection with or as a consequence of any proceeding or appeal related to reports or the returns described in Sections 2(h)(iv) and or matters arising out of issues addressed in Section 2(k) hereof; (v) any ad valorem taxes payable with respect to the Facility and (vi) reasonable costs or expenses properly incurred by Integra on behalf of Open Arms, including costs incurred due to any change in the rules and regulations of any governmental authority with jurisdiction over the Facility which costs are required to be incurred to maintain the licenses, certifications, provider agreements and applicable accreditations for the Facility (the "Costs of Operation"). Prior written approval by Open Arms is required for each reimbursement. If it is reasonably deemed necessary by Integra for Integra to provide or arrange for direct care, supervisory support or consulting services on a temporary basis to the Facility, unless otherwise provided for herein, the reasonable expenses for providing these services will be charged to Open Arms and included in the Cost of Operations.

Such expenses will include items such as employee or subcontractor wages, federal and state income taxes, benefits, travel and other direct charges, all of which shall be reasonable. If the temporarily assigned employee undertakes a work assignment for Open Arms that encompasses the period after a holiday and works at the Facility the day prior to the holiday but not on the holiday, the compensation paid to the employee for that holiday will be charged to the Facility. Vacation expenses for the temporarily assigned employee will be included as a part of the benefit cost on a prorated basis.

- (c) (i) The Management Fee shall be paid to Integra in accordance with the terms of this Section 4(c) (the "Management Fee").
- (ii) Subject to adjustment as provided in this paragraph, the Management Fee payable to Integra shall be \$74,760.00 per year. The Management Fee shall be increased annually during the term hereof by a percentage proportionate to any adjustment for inflation or cost of living applied by the Tennessee TennCare/Medicaid program (or successor program) with respect to costs utilized for purposes of determining applicable TennCare/Medicaid rates for such year, to be effective at the time of the adjustment in the TennCare/Medicaid rates received by Open Arms. In the event the Facility, or any replacement facility, shall no longer be operated under this Agreement, the Management Fee payable under this Agreement shall no longer accrue, commencing with the date following the cessation of such operation. Notwithstanding anything to the contrary contained herein, if an event of default has occurred pursuant to the Lease due to a the failure of Integra to comply with the requirements of this Agreement, and such Lease default has not been cured within sixty (60) days after the occurrence thereof, the Management Fee shall continue to accrue but payment thereof shall be suspended until such Lease default has been cured.
- (iii) The Management Fee shall accrue beginning with the date of this Agreement, and each month's fee as accrued shall be (a) submitted for payment by Open Arms to the agent under any "Deposit Account Control Agreement" (or similar agreement) established pursuant to the Lease within ten (10) days after Open Arms' receipt of Integra's invoice therefor; and (b) paid in accordance with the terms of such Deposit Account Control Agreement or similar agreement.

(d) To the extent amounts available for such purpose under the "Deposit Account Control Agreement" (or similar agreement) established pursuant to the Lease in any month are not sufficient to pay the Management Fee or other amounts owed to Integra ("Other Amounts"), after giving effect for the last sentence of Section 4(a) hereof, any unpaid Management Fee and Other Amounts shall accumulate interest at a simple interest rate equal to one percent (1%) per annum commencing as of the payment due

date(s) of the Management Fee and Other Amounts, and such past due Management Fee and Other Amounts plus accumulated interest thereon shall be paid promptly when revenues are sufficient to do so or other funds become available to Open Arms with which to make such payments. Such rate payable as determined in the preceding sentence shall be hereinafter referred to as the "Advance Rate."

(c) This Agreement is subject to that certain Subordination Of Management Agreements of even date herewith by and among Open Arms, Integra and Landlord (the "Subordination"), pursuant to which all Management Fees have been subordinated to the Lease and all payments of rent due thereunder, and all other amounts from time to time payable by Open Arms to Landlord, except as otherwise allowed pursuant to the Subordination.

5. **Capital Improvements and Working Capital.** To the extent not prohibited by law or the Lease, Open Arms shall have the obligation of advancing funds for all capital expenditures required by the rules and regulations of any governmental authority, and required to maintain the licenses, certifications, provider agreements and applicable accreditations for the Facility. Subject to Open Arms' prior written consent, which shall not be unreasonably withheld, and subject to Integra's compliance with its contractual obligations to Open Arms hereunder and otherwise, Open Arms shall be obligated to advance funds, or require the Landlord to advance funds, for such capital expenditures required for the efficient operation of the Facility and to maintain the Facility in good condition, commensurate with the standards and quality of other similar facilities.

Integra is hereby authorized to incur expenses and liabilities in the ordinary course of rendering the services described herein in accordance with the Budget and to purchase individual capital assets necessary for each Facility but which are not set forth in the Budget which do not have an individual cost in excess of Five Thousand Dollars (\$5,000) and a calendar year aggregate cost in excess of Fifty Thousand Dollars (\$50,000), subject to the total amount approved in the annual expense budget for Cost of Operations. The determination of whether an expenditure constitutes a Capital Expenditure shall be made pursuant to Section 2(iii) and in accordance with generally accepted accounting principles.

Subject to Integra's compliance with its contractual obligations to Open Arms hereunder and otherwise, Open Arms shall be obligated to provide all capital required to pay timely all Costs of Operation, the Management Fee, Capital Expenditures, and all obligations of Open Arms hereunder. Integra shall not be obligated to provide any working capital for the operation of the Facility, except that Integra shall be required to furnish working capital required to perform its obligations hereunder that are not to be underwritten by Open Arms.

6. **Term.** This Agreement shall commence at 12:01 a.m. on the day following the Certification Date (as defined in the Lease) (the "**Commencement Date**") and unless earlier terminated in accordance with Section 7 hereof, shall expire seven (7) years after the Commencement Date (the "**Original Term**"); provided, however, that this Agreement shall automatically renew for one (1) successive additional seven (7) year period unless notice is given in writing by either party to the other at least one hundred eighty (180) days prior to the expiration of the Original Term (the "**Initial Extension Term**"). Additionally, this Agreement

shall automatically renew for successive one (1) year periods after the end of the Initial Extension Term, unless notice is given in writing by either party to the other at least one hundred eighty (180) days prior to the expiration of the Initial Extension Term or any successive one (1) year period pursuant to the automatic renewal provisions or any agreed extensions. Except as otherwise set forth herein, the term of this Agreement shall not end on less than one hundred eighty (180) days prior notice to allow Open Arms or a successor manager of the Facility ample time to transition operations and continue care and services so as not to harm the residents of the Facility.

7. Default, Right to Cure and Termination.

(a) Each of the following shall be deemed to be an “Event of Default” hereunder:

- (i) If Integra fails to maintain and operate the Facility according to the standards established or imposed hereunder or by any applicable laws or regulations or governmental agencies having jurisdiction or authority over the Facility, other than solely by reason of the failure of Open Arms (unless the failure of Open Arms is due to any acts or omissions of Integra) to comply with its obligations thereunder or hereunder.
- (ii) If the certificates and authorizations for the Facility to participate under the TennCare/Medicaid program (or successor program) are suspended, canceled or revoked because either party has failed to perform its obligations hereunder and such party is not, in good faith, diligently pursuing the reinstatement of such certificates and authorizations as set forth in paragraph (b) of this Section 7.
- (iii) If either party is or becomes insolvent or makes an assignment for the benefit of creditors or commits an act of bankruptcy or files a voluntary petition under the provisions of the United States Bankruptcy Code, including without limitation, a petition for reorganization or arrangement or consents to an involuntary petition or is adjudicated a bankrupt.
- (iv) If either party violates, or is in breach of, any material term or condition of this Agreement. For purposes of this paragraph (iv), without limitation, (y) the failure of either Integra or Open Arms to operate the Facility in accordance with the provisions of the Budgets submitted to and approved by Open Arms or (z) the non-payment of any Management Fee or Other Amounts (as defined in Section 4(d) for a period of sixty (60) days, shall be considered a breach of a material term of this Agreement

(b) Upon the occurrence of an Event of Default, the party not responsible for the Event of Default (the “Non-Defaulting Party”) may declare this Agreement

terminated; provided, however, that with respect to subsections 7(a)(i) - 7(a)(iv), this Agreement may be terminated by the Non-Defaulting Party only in the event the other party (the "Defaulting Party") fails to cure the Event of Default within thirty (30) days after written notice from the Non-Defaulting Party, which notice shall specify in sufficient detail all material information known by the Non-Defaulting Party concerning the specific circumstances of the Event of Default so as to give the Defaulting Party adequate notice and the opportunity to cure same; provided further the Non-Defaulting Party shall not have the right to terminate this Agreement if at the end of such thirty (30) day period, cure of the Event of Default is reasonably foreseeable, the Defaulting Party has taken reasonable steps to cure the Event of Default within said period, and the Defaulting Party proceeds diligently thereafter to cure the Event of Default. Notwithstanding anything to the contrary contained herein, upon an event of default under the Lease, which default continues after the giving of any required notices and the expiration of any cure periods provided for in the Lease and which has not been waived or cured as provided in the Lease, Open Arms shall have the right to terminate this Agreement upon written notice given to Integra.

- (c) (i) Upon termination of this Agreement for any reason other than (A) by reason of Integra being responsible for an Event of Default, or (B) Integra's election not to extend this Agreement at the end of the original term or any renewal term, any outstanding accrued Management Fee, Other Amounts, and advances by Integra to Open Arms pursuant to Section 5 hereof (collectively, "Open Arms Obligations") shall become immediately due and payable.
- (ii) Subject to the terms and conditions of the Lease, upon termination of this Agreement by reason of Integra's election not to extend this Agreement at the end of the original term or any renewal term, any Open Arms Obligations shall be payable by Open Arms to Integra in twelve (12) equal monthly installments, commencing thirty (30) days after the effective date of such termination, together with simple interest accruing from such effective date at the Advance Rate, payable monthly in arrears.
- (iii) Notwithstanding any other provision to the contrary contained in this Section 7(c), any payments to Integra upon termination of this Agreement for any reason shall be made only in accordance with and as limited by the restrictions set forth in the Lease.

8. **Insurance.** On behalf of, and at the expense of Open Arms, Integra shall use its best efforts to procure and maintain in full force and effect on a cost-effective basis all insurance coverage required by the Lease, or by any lender to the Landlord, or by any governmental authority with jurisdiction over the Facility, to the extent such insurance coverage requirements are stricter than any specific insurance requirements contained herein. Integra shall provide Open Arms with written evidence of such coverage at the time of inception of coverage, on an annual basis thereafter, and at any other time as requested by Open Arms, which insurance may be provided on a multi-facility basis with other facilities operated by Open Arms.

All such insurance to the extent appropriate will name Integra, Open Arms, and to the extent required by the Lease, the Landlord and any lender to the Landlord, as co-insured parties or additional insured parties. The premiums for all insurance coverage which directly insures the risks of the Facility shall be paid by Open Arms as part of the Costs of Operation. Open Arms and Integra hereby each waive any right of recovery against the other party for any claims that may be brought for any loss which is covered by fire and extended coverage insurance upon or relating to the Facility and the furnishings and equipment thereon to the extent such claims are paid by said coverage. This waiver of subrogation shall be valid and binding only in the event it is recognized and accepted by the fire and hazard insurance companies under policies obtained hereunder.

(a) Integra shall use its best efforts to (i) secure certificates of insurance for Open Arms, (ii) maintain the original of such policies at the office of Integra, (iii) deliver duplicate copies of the policies to Open Arms and the Landlord, and (iv) procure endorsements thereto prohibiting any termination or cancellation thereof until the expiration of thirty (30) days' after written notice of cancellation to all named insureds.

(b) In addition, Integra shall procure and maintain in full force and effect during the term hereof, to cover acts and omissions during the term of its services hereunder (i) \$1,000,000 each occurrence/\$1,000,000 aggregate general and professional liability insurance coverage, (ii) \$1,000,000 each occurrence/\$1,000,000 aggregate bodily injury and property damage insurance, as supplemented by general liability coverage under a \$5,000,000 umbrella policy and (iii) workers' compensation insurance coverage with limits not less than those limits carried by Open Arms respect to the Facility during the one year period prior to the date hereof, in order to insure itself against normal business risks inherent in its operation and management of the Facility and shall, to the extent possible without increases in premiums unless said increases are paid by Open Arms after Integra gives reasonable notice to Open Arms thereof, cause Open Arms to be named as an additional insured thereunder, to the extent its interests appear, on the policies evidencing such insurance. As reasonably requested by Open Arms from time to time, Integra shall provide Open Arms with written evidence that such insurance coverage remains in full force and effect.

(c) In addition, Integra shall procure and maintain in full force and effect fidelity insurance coverage on a loss discovered basis (including crime, employee dishonesty, including third party coverage) to insure against damages resulting from such acts or omissions by Integra or any of its contractors or agents which take place during the term of this Agreement. All such insurance coverage shall have a limit of not less than \$1,000,000, with a deductible of not more than \$10,000, shall name Open Arms as an additional named insured, and shall contractually require the carrier to inform Open Arms immediately in the event of any pending lapse in coverage for any reason. Simultaneously with the execution of this Agreement, Integra shall furnish Open Arms with a Certificate from said carrier evidencing the effectiveness of such insurance coverage.

9. **Use of Premises.** Integra shall not, without the prior written consent of Open Arms, at any time use the Facility or any portion thereof, or permit the Facility or any portion

thereof to be used for purposes other than an ICF/IID facility in compliance with all applicable rules and regulations of the United States and the State of Tennessee.

10. **Right to Inspect.** At any time during regular business hours, and at any time outside regular business hours if prior telephonic notice during regular business hours is given to the designated official of Integra having on-site management responsibility for the Facility, Open Arms or its representatives shall have the right to inspect the financial and other records in the actual or constructive control of Integra (and to make copies of documents as appropriate and at their expense) related to the Facility, including but not limited to books, records, data files and reports (electronic or otherwise) prepared by Integra or any other person or entity by or on behalf of Integra and maintained by Integra or such other person or entity at or in connection with the Facility with respect to in the performance of its services hereunder and the condition of the Facility.

11. **Books and Records.** All books, records, data files and reports prepared by Integra for or in connection with the management of the Facility and maintained by Integra at the Facility or at any location other than the Facility shall be available for inspection and copying by Open Arms or its representatives or the Landlord at their own expense and during normal business hours with prior written notice to Integra. It is agreed and understood that computer software and the users manuals for such software developed or acquired by Integra or used by Integra employees in connection with the management of the Facility shall not be considered "books, records, data files and reports" as those terms are used in this Section 11, provided that printouts of data generated by use of such software shall be considered such "books, records, data files and reports". Furthermore, it is agreed by the parties hereto that any computer software and the user manuals for such software developed by Open Arms employees shall remain the property of Open Arms.

12. **Cooperation at Termination.** Upon the expiration or earlier termination of term of Integra's management of the Facility hereunder, each of the parties hereto shall cooperate fully with the other in effecting an orderly transition to avoid any interruption in the rendering of the above-described services and, in that connection, Integra shall promptly surrender to Open Arms all keys, contracts, books, records, data files and reports (as such terms are defined in Section 11 hereof) maintained by Integra in connection with the management of the Facility. Furthermore, the parties hereby agree that any information received by a party or its attorneys, accountants or agents about the other party in the performance of such party's obligations hereunder, which concerns the financial or other affairs of such party, will be treated in full confidence and will not be revealed to any other persons, firms or organization.

13. **Covenant Not to Employ Personnel.** The parties acknowledge that Integra, in the performance of its obligations hereunder, utilizes certain of its employees. Open Arms recognizes that Integra has incurred and will incur considerable time and expense in developing Integra employees. For this reason, Open Arms covenants with Integra that Open Arms shall not, at any time during the term of this Agreement and for a period of one (1) year following the termination of this Agreement, directly or indirectly solicit the employment of any person who is at that time an Integra employee or encourage any successor to Integra's duties hereunder to solicit the employment of any such person who is at that time an Integra employee for services to be rendered at or in connection with the Facility or at any other facility offering services to

persons with developmental disabilities owned or operated by Open Arms unless this covenant has been waived in writing by Integra. It is understood and agreed, however, that this covenant shall not apply to persons who were employees of Open Arms as of September 30, 2014 and were subsequently employed by Integra.

Recognizing that Integra would not have an adequate remedy at law in the event of any breach of this covenant, Open Arms agrees that the covenants set forth herein may be enforced by Integra by an appropriate restraining order or other injunctive relief.

Furthermore, Integra recognizes that Open Arms has incurred and will incur considerable time and expense in developing Open Arms employees. For this reason, Integra covenants with Open Arms that Integra shall not, at any time during the term of this Agreement and for a period of one (1) year following the termination of this Agreement, directly or indirectly solicit the employment of any person who is at that time an employee of Open Arms, except with the prior written consent of Open Arms, not to be unreasonably withheld. In furtherance of the foregoing, it is anticipated that employees working in certain positions within Open Arms may from time-to-time have limited opportunities for advancement within Open Arms, and as such employees reach the limits of advancement opportunities at Open Arms, it may be reasonable for Integra to request the consent of Open Arms for the employment by Integra by such an individual who is advancing in his/her career path and has reached the limits of advancement within Open Arms.

Recognizing that Open Arms would not have an adequate remedy at law in the event of any breach of this covenant, Integra agrees that the covenant set forth herein may be enforced by Open Arms by an appropriate restraining order or other injunctive relief.

14. **Indemnification.** Any Defaulting Party shall release and indemnify and hold the Non-Defaulting Party and the Non-Defaulting Party's shareholders, directors, officers and employees and agents harmless from and against any and all liabilities, losses, damages, claims, costs and expenses (including reasonable attorneys' fees) incurred and arising out of or resulting from an Event of Default by the Defaulting Party and Integra shall release and indemnify and hold Open Arms and its shareholders, directors, officers, employees and agents harmless from and against any and all liabilities, losses, damages, claims, costs and expenses (including reasonable attorneys' fees) incurred and arising out of or resulting from actions taken by Integra outside the scope of the authority specifically granted to Integra herein. Furthermore, Open Arms shall indemnify Integra with regard to any and all liabilities, losses, damages, claims, costs and expenses (including reasonable attorneys' fees) with regard to any action, suit or proceeding brought by a person or entity that managed the Facility prior to the date hereof; provided, however, that such indemnification by Open Arms shall extend only to such amounts as may be reimbursable costs under the TennCare/Medicaid system.

15. **Litigation or Proceedings on Behalf of Open Arms.** If any claim or cause of action of Open Arms arises during the term of this Agreement, or if any third party claim, action, or other legal or administrative proceeding arising from or related to the management of the Facility is filed against Open Arms, upon receiving notice of any such claim, cause of action or proceeding, the party receiving such notice shall promptly give notice thereof to the other party, and Integra shall have the option, exercisable in its reasonable discretion, by giving written notice thereof to Open Arms, to institute or defend such claim, action or other legal or

administrative proceeding in Integra's name or Open Arms' name, as their respective interests may appear to be claimed, provided that Integra uses good faith best efforts to proceed in such action in a manner that is in Open Arms' best interests. The reasonable costs and expenses of prosecuting and defending any such claim, action, or legal or administrative proceeding shall be reimbursed to Integra by Open Arms as Costs of Operation, except as they relate to Events of Default by Integra or the independent acts of Integra taken outside the scope of the performance of its duties hereunder or the negligence, willful misconduct or breach by Integra of its obligations hereunder, which costs and expenses shall be borne exclusively by Integra notwithstanding any other provision to the contrary herein contained. Open Arms agrees to provide reasonable assistance to Integra in the prosecution and defense of any such action upon request by Integra and upon Integra's agreement to pay all of Open Arms' expenses related thereto, except for expenses for which Open Arms is otherwise obligated hereunder. Open Arms further agrees that Integra shall have the right to recommend legal counsel for Open Arms' approval to represent the interests of Open Arms in any such claim, action or legal or administrative proceeding. Integra shall provide Open Arms with timely and periodic written reports regarding the progress of each such claim, action or proceeding. If Integra decides, in its reasonable discretion, not to institute or defend such claim, action or other legal or administrative proceeding, Integra shall notify Open Arms in writing promptly of its decision, providing Open Arms, sufficient time to take appropriate action, and in such event, Open Arms shall be fully responsible for the prosecution or defense of each such claim, action, and legal and administrative proceeding, including then prospective costs and attorneys' fees, except when the claim, action or proceeding relates to Events of Default by Integra, or the independent acts of Integra taken outside the scope of the performance of its duties hereunder, or the negligence, willful misconduct or breach by Integra of its obligations hereunder, except that Integra agrees to provide reasonable assistance to Open Arms with respect to such matters upon request by Open Arms.

16. Compliance with Public Law 96-499.

(a) Pursuant to regulations promulgated by the Federal Health Care Financing Administration, an agency of the Department of Health and Human Services, implementing Section 952 of the Omnibus Reconciliation Act of 1980 (P.L. 96-499) or any subsequent legislation conditioning reimbursement on the cost of services performed, insofar as this Agreement covers services valued at or costing \$10,000 or more over a twelve (12) month period, the parties agree to provide the Secretary of Health and Human Resources, upon written request, or the Comptroller General, or their duly authorized representatives, access to this Agreement and the parties' books, documents and records necessary to verify the nature and extent of the cost of the services provided by the parties. Such access shall be provided until the expiration of four (4) years after the services are furnished under this Agreement.

(b) If Integra carries out any duties of this Agreement through a subcontract with an aggregate value or cost of \$10,000 or more over a twelve month period with an Affiliate, Integra shall require in writing that the Affiliate shall make available, upon written request, to the Secretary of Health and Human Resources, or the Comptroller General, or their duly authorized representatives, the said subcontract and the books, documents and records of the Affiliate that are necessary to verify the nature and extent

of the costs of the services provided under the said subcontract. The subcontract shall require that such access shall be provided until the expiration of four (4) years after the services are furnished under the contract.

17. **Amendment or Termination as a Result of Governmental Regulation.** The parties acknowledge and agree that this Agreement is intended to comply with all state and federal laws and regulations regarding Medicare and Medicaid fraud and abuse, Open Arms' status as a recipient of governmental or private funds for the provision of health care services, or Open Arms' status as an organization described in Section 501(c)(3) of the Code. Open Arms shall have the right to terminate or amend this Agreement, if on the advice of its counsel it determines, in its reasonable judgment, that the terms of this Agreement more likely than not would be interpreted to violate any laws or regulations applicable to it, which, if violated, would jeopardize Open Arms' status as a recipient of governmental or private funds for the provision of health care services, or Open Arms' status as an organization described in Section 501(c)(3) of the Code. Notwithstanding such right to terminate, Open Arms shall first use reasonable efforts to amend this Agreement only to the extent necessary to conform the potentially violative terms to the applicable law or regulation, and will only terminate this Agreement pursuant to this Section if it determines, in its reasonable judgment, that an amendment cannot be obtained or will not result in compliance.

18. **Parties Bound.** The provisions of this Agreement shall be binding upon the parties hereto and their respective successors and assigns. Except as specifically provided herein, neither party may assign its rights or delegate its duties under this Agreement without the prior written consent of the other party. No assignment of rights or delegation of duties shall relieve either party, as the case may be, of its obligations hereunder. Notwithstanding the foregoing, however, in respect to transfers after an event of default under the Lease, any person claiming through the deed of trust trustee or a transferee under a deed in lieu of foreclosure (the foregoing collectively referred to as the "Transferee"), the Transferee shall, at its option and without further action by Open Arms, succeed to Open Arms' rights hereunder, with or without the assumption of the obligations of Open Arms hereunder, which assumption shall be at the sole discretion of such Transferee, but in no event shall any of the foregoing be deemed a release of any of the obligations of Open Arms hereunder.

19. **Severability.** In the event any provision hereof shall be modified or held ineffective by any court in any respect, such adjudication shall not invalidate or render ineffective the balance of the provisions of this Agreement.

20. **Entire Agreement; Modification; Waiver.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and completely supersedes any prior oral or written agreements between the parties. Any other agreements with respect to the subject matter hereof between the parties, whether written or oral, are merged herein. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties hereto. No waiver of any of the provisions of this Agreement will be deemed, or will constitute a waiver of any other provision, whether or not similar, nor will any waiver constitute a continuing waiver. No waiver will be binding unless executed in writing by the party making the waiver.

21. **Notices.** All notices, requests, demands and other communications required or permitted to be given or made under this Agreement shall be in writing and shall be deemed to have been given (i) on the date of delivery by courier or personally, (ii) three (3) business days after deposit in the United States mail, postage prepaid by registered or certified mail, return-receipt requested to the appropriate party at the following addresses.(or at such other address as shall hereafter be designated by any party to the other party by notice given in accordance with this Section):

To Open Arms:

Open Arms Care Corporation
6 Cadillac Drive, Suite 350
Brentwood, TN 37027

With a copy to:

Thomas V. Chorey, Jr.
Barnes & Thornburg LLP
3475 Piedmont Rd., NE, Suite 1700
Atlanta, GA 30305-3327
Fax: 800-753-5139
Phone: 404-846-1693
Email: tchorey@btlaw.com

To Integra:

Integra Resources, LLC
144 Second Avenue, North, Suite 300
Nashville, TN 37201

With a copy to:

Bradley Arant Boult Cummings, LLP
1600 Division Street, Suite 700
Nashville, TN 37203
Attention: Michael D. Brent, Esq.
Fax: 615-252-6361
Phone: 615-252-2361
Email: mbrent@babco.com

22. **Execution in Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

23. **Further Assurances.** The parties each hereby agree to execute and deliver all of the agreements, documents, and instruments required to be executed and delivered by them in

this Agreement and to execute and deliver such additional instruments and documents and to take such additional actions as may reasonably be required from time-to-time in order to effectuate the transaction contemplated by this Agreement.

24. **Exhibits.** Any Exhibits attached hereto constitute a part of this Agreement and are incorporated herein by reference in their entirety as if fully set forth in this Agreement at the point where mentioned herein.

25. **Tense, Captions.** In construing this Agreement, whenever appropriate, the singular tense shall also be deemed to mean the plural, and vice-versa, and the captions contained in this Agreement shall be ignored.

26. **Party Rights No Third.** Except as otherwise expressly provided herein or in the Lease, the provisions of this Agreement shall not entitle any person not a signatory hereto to any rights or reliance hereunder or in respect hereof, as a third party beneficiary or otherwise, it being the specific intention of the parties herein to preclude any and all such persons non-signatory hereto from such rights.

27. **Survival.** Any rights or obligations accrued under this Agreement at the expiration or termination of this Agreement shall survive such termination.

28. **Replacement Facility.** In the event a new replacement facility should be substituted for the Facility, whether on the same site or at a different location within the market area, all rights or obligations of the parties, including the remaining term, pursuant to this Agreement shall apply with respect to the new replacement Facility.

29. **Public Statements.** Unless otherwise required by law or court order, prior to the Commencement Date, neither Open Arms or Integra shall, without the prior written consent of the other party hereto, make any press release or other public announcement concerning the transactions contemplated by this Agreement. Provided, however, that Integra and Open Arms may announce the execution of this Agreement to their respective employees.

30. **Arbitration.** The parties hereto agree and stipulate that all claims, disputes and other matters in question or at issue between them arising out of or relating to this Agreement or the breach thereof, including, without limitation, any dispute or question concerning the scope of this arbitration clause, will be decided by arbitration in Nashville, Tennessee, in accordance with the Commercial Arbitration Rules of the American Arbitration Association, subject to the limitations of this Section 30. This covenant to arbitrate will be specifically enforceable under the prevailing law of any court having jurisdiction. The parties hereto agree that one arbitrator shall arbitrate all disputes. Notice of a demand for arbitration shall be filed in writing by either party hereto with the other party hereto and with the American Arbitration Association. The demand for arbitration shall be made no later than the date when institution of legal or equitable proceedings based on the claim, dispute or other matter in question would be barred by the applicable statute of limitations. The award rendered by the arbitrator will be final, judgment may be entered upon it in any court having jurisdiction thereof, and the award will not be subject to vacation, modification or appeal, except to the extent permitted by Sections 10 and 11 of the Federal Arbitration Act, the terms of which Sections the parties hereto agree shall apply. Each of

the parties hereto submits to the jurisdiction of the state courts of Davidson County, Tennessee for purposes of the entry of any judgment arising out of the award of the arbitrator. All costs and expenses of each of the parties hereto with respect to the arbitration (including reasonable attorneys' fees) and the expenses of the arbitrators shall be paid by the party hereto against whom a determination by the arbitrator is made or, in the absence of a determination against one party hereto, as such arbitrator directs.

31. Overriding Provisions.

(a) Notwithstanding the execution date hereof, it is agreed and understood by the parties hereto that this Agreement shall be considered the agreement pursuant to which the "Manager," as such term is defined under the Lease, manages the Facility.

(b) Notwithstanding anything to the contrary contained herein, it is the intent of the parties hereto that this Agreement in all respects shall conform to the terms and conditions of the Lease. Accordingly, to the extent that any term or condition contained herein or hereunder shall conflict with any such terms or conditions contained in the Lease, then the provisions of the Lease shall control in all respects, and the terms of this Agreement shall be automatically deemed amended in an agreeable manner in order to bring this Agreement into compliance with the Lease.

(c) Notwithstanding anything to the contrary herein contained, it is understood and agreed that in the event of the default by either party hereto pursuant to the terms of any other ICF/IID Facilities Management Agreement, or the terms of the Global Management Agreement of even date herewith, the result of which default entitles the non-defaulting party thereunder to terminate such agreement, by giving notice thereof to the defaulting party, said non-defaulting party shall have an identical right to terminate this Agreement, just as if there had been an Event of Default hereunder by said defaulting party for which there was no cure within any applicable cure period.

(d) Further notwithstanding anything to the contrary herein contained, it is understood and agreed that in the event of a conflict between the provisions of this Agreement and the provisions of that certain Global Agreement to Provide Management Services, as amended, between the parties hereto executed simultaneously with the execution hereof (the "Global Agreement," by reference made an integral part hereof), the provisions of this Agreement shall govern and control over the provisions of the Global Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year set forth below, effective as of the Commencement Date first above written.

OPEN ARMS CARE CORPORATION

By: _____
Name:
Title:

INTEGRA RESOURCES, LLC

By: _____
Name:
Title:



State of Tennessee
Health Services and Development Agency

Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

February 1, 2018

Michael D. Brent, Esq.
Bradley Arant Boult Cummings LLP
1600 Division Street, Suite 700
Nashville, TN 37203

RE: Certificate of Need Application – Open Arms Care Corporation - CN1801-004
The relocation and replacement of an 8 licensed bed ICF/IID home from 5380 Benjestown Road, Memphis (Shelby County), TN to a lot consisting of two parcels, a portion of which currently has an address of 8949 Macon Road, Cordova (Shelby County), TN 38127. The applicant is owned by Open Arms Care Corporation. The estimated project cost is \$5,130,000.

Dear Mr. Brent:

This is to acknowledge the receipt of supplemental information to your application for a Certificate of Need. Please be advised that your application is now considered to be complete by this office.

Your application is being forwarded to Theresa C. Sloan at the Tennessee Department of Intellectual and Developmental Disabilities for Certificate of Need review by the Office of General Counsel. You may be contacted by Ms. Sloan or someone from her office for additional clarification while the application is under review by the Department. Ms. Sloan's contact information is Theresa.C.Sloan@tn.gov or 615-253-6811.

In accordance with Tennessee Code Annotated, §68-11-1601, et seq., as amended by Public Chapter 780, the 30-day review cycle for **CONSENT CALENDAR** for this project will begin on February 1, 2018. The first thirty (30) days of the cycle are assigned to the Department of Health, during which time a public hearing may be held on your application. You will be contacted by a representative from this Agency to establish the date, time and place of the hearing should one be requested. At the end of the thirty (30)-day period, a written report from the Department of Health or its representative will be forwarded to this office for Agency review within the thirty (30)-day period immediately following. You will receive a copy of their findings. The Health Services and Development Agency will review your application on April 25, 2018.



State of Tennessee

Health Services and Development Agency

Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

Fax: 615-741-9884

Mr. Brent

Page 2

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

- (4) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.
- (5) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have questions or require additional information, please contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Melanie M. Hill".

Melanie M. Hill
Executive Director

cc: Theresa Sloan, Assistant Commissioner and General Counsel
Intellectual and Developmental Disabilities



State of Tennessee

Health Services and Development Agency

Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243


www.tn.gov/hsda

Phone: 615-741-2364

Fax: 615-741-9884

MEMORANDUM

TO: Theresa Sloan, Assistant Commissioner and General Counsel
Intellectual and Developmental Disabilities
Citizens Plaza State Office Building 10th Floor
400 Deaderick Street
Nashville, Tennessee 37243

FROM: 
Melanie M. Hill
Executive Director

DATE: February 1, 2018

RE: Certificate of Need Application
Open Arms Care Corporation - CN1801-004
CONSENT CALENDAR

Please find enclosed an application for a Certificate of Need for the above-referenced project.

This application has undergone initial review by this office and has been deemed complete. It is being forwarded to your agency for a CONSENT CALENDAR thirty (30) day review period to begin on February 1, 2018 and end on March 1, 2018.

Should there be any questions regarding this application or the review cycle, please contact this office.

Enclosure

cc: Michael Brent



**State of Tennessee
Health Services and Development Agency**

Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

Fax: 615-741-9884

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LETTER OF INTENT

The Publication of Intent is to be published in The Commercial Appeal, which is a newspaper of general circulation in Shelby County, Tennessee, on or before January 10, 2018, for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Open Arms Care Corporation, a Georgia non-profit corporation qualified to do business in Tennessee, intends to file an application for a Certificate of Need for the replacement and relocation of an eight-person Intermediate Care Facility for Individuals with Intellectual Disabilities ("ICF/IID"), managed by Integra Resources, LLC, a Tennessee limited liability company. The facility is currently located at 5380 Benjestown Road Benjestown Road, Memphis (Shelby County), Tennessee 38127, and will be relocated to a lot consisting of two parcels, for a total of approximately 3 acres, a portion of which currently has an address of 8949 Macon Road, Cordova, Tennessee and a portion of which currently does not have separate street address, such lot is also described as two separate parcels, being Parcel 091019 00010 and Parcel 091019 00011 in the records of the Shelby County Tax Assessor. The estimated project cost is \$5,130,000.00.

The anticipated filing date of the application is on or before January 12, 2018. The contact person for this project is Michael D. Brent, Esq., who may be reached at Bradley Arant Boult Cummings LLP, 1600 Division Street, Suite 700, Nashville, Tennessee 37203. Mr. Brent's telephone number is (615) 252-2361 and his e-mail address is mbrent@bradley.com.


(Signature)

Jan 10, 2018
(Date)

mbrent@bradley.com
(E-mail Address)

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

Supplemental #1 (Original)

Open Arms Care
Corporation

CN1801-004

January 30, 2018

9:55 A.M.



State of Tennessee

Health Services and Development Agency

Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243

www.tn.gov/hsda Phone: 615-741-2364/Fax:615/532-9940

January 29, 2018

Michael Brent
Attorney
Bradley Arant Boult Cummings LLP
1600 Division Street, Suite 700
Nashville, TN 37203

RE: Certificate of Need Application CN1801-004
Open Arms Care Corporation d/b/a Shelby County #4

Dear Mr. Brent:

This will acknowledge our January 11, 2018 receipt of your application for a Certificate of Need for the relocation of an 8 licensed bed ICF/IID home from 5380 Benjestown Road, Memphis (Shelby County), TN to a lot consisting of two parcels, a portion of which currently has an address of 8949 Macon Road, Cordova (Shelby County), TN 38127.

Several items were found which need clarification or additional discussion. Please review the list of questions below and address them as indicated. The questions have been keyed to the application form for your convenience. I should emphasize that an application cannot be deemed complete and the review cycle begun until all questions have been answered and furnished to this office.

Please submit Responses in triplicate by 12:00 noon, Tuesday January 30, 2018. If the supplemental information requested in this letter is not submitted by or before this time, then consideration of this application may be delayed into a later review cycle.

1. Consent Calendar Request

It is noted the applicant is requesting Consent Calendar. Please provide justification for placing the proposed project on Consent Calendar by briefly addressing the following Criteria: Need, Economic Feasibility, Contribution to the Orderly Development of Health Care, and Quality Measures.

Response: As with similar relocation applications filed by the Applicant for several "sister projects" in Shelby County, all of which have been previously approved for inclusion on the Consent Calendar. Need, Economic Feasibility, and Contribution to the Orderly Development of Health Care have all been demonstrated through the historical high census at the facility to be relocated, as well as the documents and letters submitted showing financially feasible structure with the purchase and construction financed by ServisFirst Bank and repaid via the use of a

lease structure. Also, the Applicant does not seek to add any ICF/IID beds in conjunction with the proposed relocation.

Quality Measures have been demonstrated for the facility the Applicant proposes to relocate through previous surveys and reviews of the facility by applicable agencies overseeing ICF/IID providers. Additionally, the Applicant will report annually using forms prescribed by the Agency concerning continued need and appropriate quality measures as determined by the Agency from time to time.

2. Section A, Applicant Profile, name of Facility of Institution

The address of the proposed project listed as Macon Road is noted. However, please revise the address to 8949 Macon Road in order to provide a clearer picture of the approximate location on Macon Road.

Response: Please see R-1 and R-18 attached hereto in Supplemental Attachment – Replacement Pages for pages reflecting the revised address.

3. Section A, Applicant Profile, 6.A, Type of Ownership

The Lot/Land Purchase and Sale Agreement is noted. However, please provide a more legible copy of the signature page.

Response: Please see a more legible copy of the purchase agreement attached hereto as Supplemental Attachment – Replacement Purchase Agreement Signature Page. Please note, that, as this purchase agreement was signed electronically, the attached is the most legible copy we have available. We included, however, the unexecuted signature page in the original application for reference.

4. Section A, Applicant Profile, 6.B, Plot Plan

Please provide a plot plan that includes the following: 1) the size in acres; 2) location of the structure on the site; 3) location of the proposed construction/renovation; 4) and the names of streets, roads or highway that cross or border the site.

Response: Please see the replacement plot plan attached hereto as Supplemental Attachment – Replacement Plot Plan.

5. Section B, Need Item 1. (ICF/IID Project Specific Criteria) Page 20 and Section B, Need, Item E, Page 23

Please note since the proposed project is a relocation and need has already been established, the ICF/IID project criteria does not apply. However, please revise the ICF/IID utilization table on page 20 of the application to reflect the most recent three year period. The table will provide the utilization trends of ICF/IID facilities in Shelby County.

Response: Please see R-20 attached hereto in Supplemental Attachment – Replacement Pages for the revised table.

6. Section B. Need Item D.1 (a) and (b), Page 22

Please revise the population table on page 22 to reflect the current year of 2018 and Projected Year of 2022 and submit a replacement page 22 (labeled as 22 R).

Response: Please see R-22 attached hereto in Supplemental Attachment – Replacement Pages for the revised population table.

7. Section B, Quality Measures

Please verify and acknowledge the applicant will be evaluated annually whether the proposal will provide health care that meets appropriate quality standards upon the following factors:

(3) Quality. Whether the proposal will provide health care that meets appropriate quality standards may be evaluated upon the following factors:

(a) Whether the applicant commits to maintaining staffing comparable to the staffing chart presented in its CON application;

Response: The staffing chart reflects the state contractual requirements for the occupants of the home. The Applicant shall continue to meet contractual requirements.

(b) Whether the applicant will obtain and maintain all applicable state licenses in good standing;

Response: The Applicant will maintain all applicable licenses in good standing.

(c) Whether the applicant will obtain and maintain TennCare and Medicare certification(s), if participation in such programs was indicated in the application;

Response: The Applicant will maintain all applicable certifications in good standing.

(d) Whether an existing healthcare institution applying for a CON has maintained substantial compliance with applicable federal and state regulation for the three years prior to the CON application. In the event of non-compliance, the nature of non-compliance and corrective action shall be considered;

Response: The Applicant has maintained substantial compliance with applicable federal and state regulations for the three years prior to the instant application. The Applicant will continue to maintain certifications for performance of ICF services in accordance with TennCare and Tennessee DIDD certifications.

(e) Whether an existing health care institution applying for a CON has been

Mr. Michael Brent
January 29, 2018
Page 4

decertified within the prior three years. This provision shall not apply if a new, unrelated owner applies for a CON related to a previously decertified facility;

Response: Not applicable. The Applicant has not been decertified.

(f) Whether the applicant will participate, within 2 years of implementation of the project, in self-assessment and external assessment against nationally available benchmark data to accurately assess its level of performance in relation to established standards and to implement ways to continuously improve.

Response: The Applicant does not plan to do so at this time.

1. This may include accreditation by any organization approved by Centers for Medicare and Medicaid Services (CMS) and other nationally recognized programs. The Joint Commission or its successor, for example, would be acceptable if applicable.

Response: At this time, the Applicant does not plan to apply for accreditation.

In accordance with Tennessee Code Annotated, §68-11-1607(c) (5), "...If an application is not deemed complete within sixty (60) days after written notification is given to the applicant by the agency staff that the application is deemed incomplete, the application shall be deemed void." **For this application, the sixtieth (60th) day after written Notification is Tuesday, March 23, 2018. If this application is not deemed complete by this date, the application will be deemed void.** Agency Rule 0720-10-.03(4) (d) (2) indicates that "Failure of the applicant to meet this deadline will result in the application being considered withdrawn and returned to the contact person. Resubmittal of the application must be accomplished in accordance with Rule 0720-10-.03 and requires an additional filing fee." Please note that supplemental information must be submitted timely for the application to be deemed complete prior to the beginning date of the review cycle which the applicant intends to enter, even if that time is less than the sixty (60) days allowed by the statute. The supplemental information must be submitted with the enclosed affidavit, which shall be executed and notarized; please attach the notarized affidavit to the supplemental information.

If all supplemental information is not received and the application officially deemed complete prior to the beginning of the next review cycle, then consideration of the application could be delayed into a later review cycle. The review cycle for each application shall begin on the first day of the month after the application has been deemed complete by the staff of the Health Services and Development Agency.

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

(1) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the

January 30, 2018

9:55 A.M.

Mr. Michael Brent
January 29, 2018
Page 5

applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.

- (2) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have any questions or require additional information, please do not hesitate to contact this office.

Sincerely,

Phillip M. Earhart
Health Services Development Examiner

PME
Enclosure

Supplemental #1

January 30, 2018

9:55 A.M.

Supplemental Attachment – Replacement Purchase Agreement

Signature Page

January 30, 2018

9:55 A.M.

16. Time Limit of Offer. This Offer may be withdrawn at any time before acceptance with Notice. Offer terminates if not countered or accepted by 9 o'clock pm on the 5th day of January, 2018.

LEGAL DOCUMENTS: This is an important legal document creating valuable rights and obligations. If you have any questions about it, you should review it with your attorney. Neither the Broker nor any Agent or Facilitator is authorized or qualified to give you any advice about the advisability or legal effect of its provisions.

NOTE: Any provisions of this Agreement which are preceded by a box " " must be marked to be a part of this Agreement. By affixing your signature below, you also acknowledge that you have reviewed each page and have received a copy of this Agreement.

IMPORTANT NOTICE: Never trust wiring instructions sent via email. Cyber criminals are hacking email accounts and sending emails with fake wiring instructions. These emails are convincing and sophisticated. Always independently confirm wiring instructions in person or via a telephone call to a trusted and verified phone number. Never wire money without double-checking that the wiring instructions are correct.

Buyer hereby makes this offer.

BUYER George Stevens

BUYER

01/03/2018 at 9 o'clock am pm

01/03/2018 at 9 o'clock am pm

Offer Date

Offer Date

Seller hereby:

☒ **ACCEPTS** - accepts this offer.

☐ **COUNTERS** - accepts this offer subject to the attached Counter Offer(s).

☐ **REJECTS** this offer and makes no counter offer.

DocuSigned by:

SELLER DA93903ECFB2480...

SELLER

1/4/2018 | 8:06:37 PM PST o'clock am pm

Date at o'clock am pm

Binding Agreement Date. This instrument shall become a "Binding Agreement" on the date ("Binding Agreement Date") the last offeror, or licensee of the offeror, receives notice of offeror's acceptance.

Notice of acceptance of the final offer was received by _____ on _____ at _____ o'clock am pm

For Information Purposes Only:

Listing Company: Crye-Leike Realtors

Listing Firm Address: 894 G Town PKWY - 38018

Firm License No.: 238043

Firm Telephone No.: 901-756-8100

Listing Licensee: Carole Ann Burns

Licensee License Number: 215055

Licensee Email: CBURNS4222@gmail.com

Home Owner's / Condominium Association ("HOA/COA")

N/A

HOA / COA Phone:

Selling Company: Rivertown realtors

Selling Firm Address: 7976 Stage Hills Bartlett, 38133

Firm License No.: 00248877

Firm Telephone No.: 301-7570052

Selling Licensee: 00223157

Licensee License Number:

Licensee Email: rivertrw@bellsouth.net

HOA/COA Email:

Property Management Company:

Phone:

Email:

NOTE: This form is provided by TARI to assist in the use of real estate transactions and is to be used as a guide only. It is not intended to be a substitute for legal advice and should not be used as a basis for legal action. The form is subject to periodic review and is the responsibility of the provider to use the most current available form.

This form is copyrighted and may only be used in real estate transactions in which Haley Parker is involved as a TARI authorized user. Unauthorized use of the form may result in legal action being brought against the user and should be reported to the Tennessee Association of Realtors at (615) 351-1437. Copyright 2016 © Tennessee Realtors®. Version 01/01/2016.

REALTORS

Copyright 2016 © Tennessee Realtors®
RFA54 - Louisiana Purchase and Sale Agreement, Page 9 of 9

Initials:

Supplemental #1

January 30, 2018

9:55 A.M.

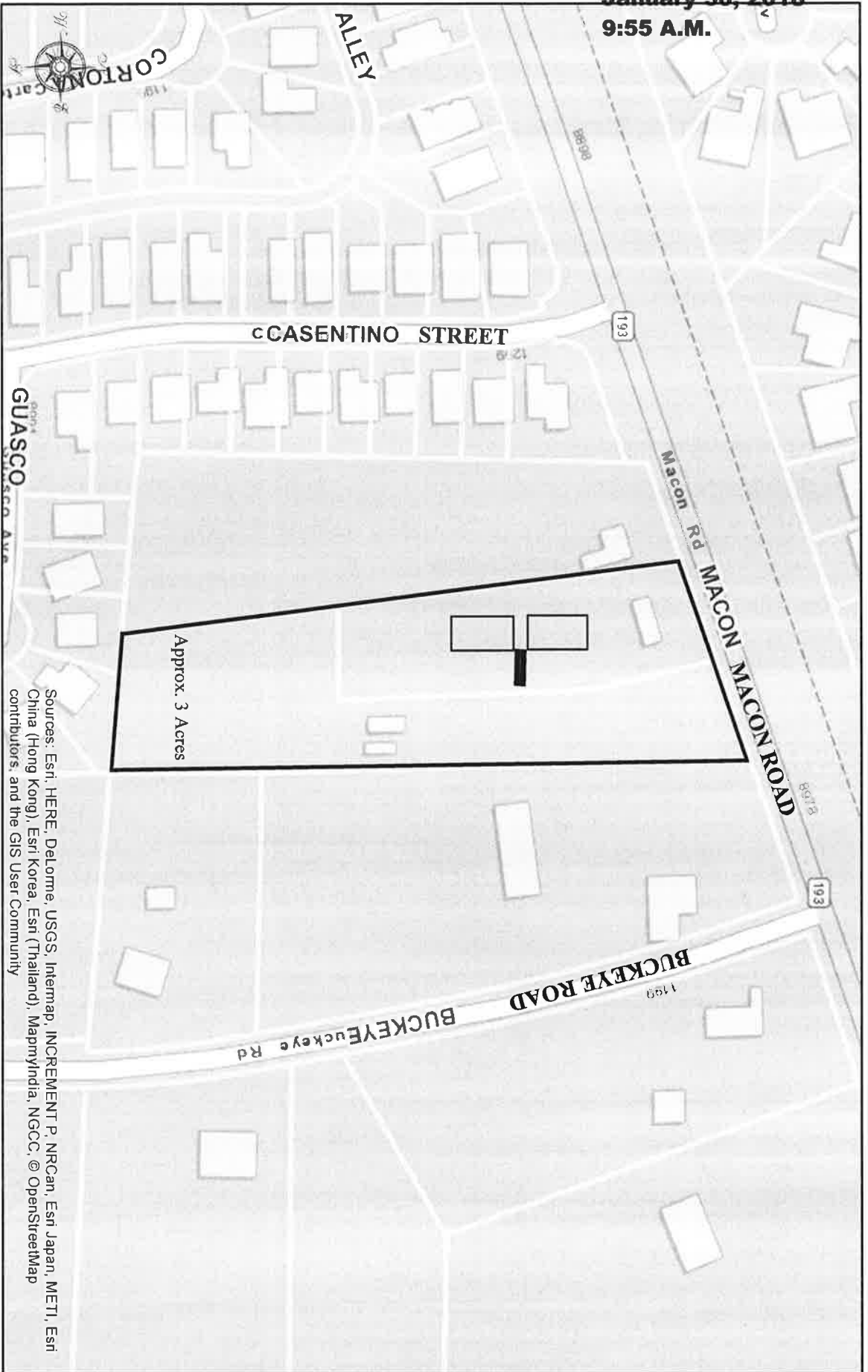
Supplemental Attachment – Replacement Plot Plan

Shelby #4 Map

Supplemental #1

January 30, 2018

9:55 A.M.



TOM LEATHERWOOD, REGISTER OF DEEDS SHELBY COUNTY, TENNESSEE

DISCLAIMER: PROPERTY TAX MAPS AND PARCEL BOUNDARIES DO NOT REFLECT ACCURATE SURVEY INFORMATION OR EXACT LEGAL OWNERSHIP BOUNDARIES, AND ARE ONLY PROVIDED FOR GENERAL INFORMATION PURPOSES. THEREFORE, THEY SHOULD NOT BE RELIED UPON AS A REPRESENTATION OF ANY PROPERTY FOR ANY PURPOSE.

MAP DATE: January 6, 2018

Supplemental #1

January 30, 2018

9:55 A.M.

SHELBY #4

Supplemental Attachment – Replacement Pages

January 30, 2018

9:55 A.M.



State of Tennessee

Health Services and Development Agency

Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243
 www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

CERTIFICATE OF NEED APPLICATION

SECTION A: APPLICANT PROFILE

3. Name of Facility, Agency, or Institution

Open Arms Care Corporation d/b/a Shelby County #4

Name

8949 Macon Road

Street or Route

Shelby

County

Cordova

City

Tennessee

State

38018

Zip Code

Website address: <http://www.openarmscare.org>

Note: The Facility's name and address **must be** the name and address of the project and **must be** consistent with the Publication of Intent.

4. Contact Person Available for Responses to Questions

Michael D. Brent

Name

Attorney

Title

Bradley Arant Boult Cummings LLP

Company Name

mbrent@bradley.com

Email address

1600 Division Street, Suite 700

Street or Route

Nashville

City

TN

State

37203

Zip Code

Attorney for Project

Association with Owner

615-252-2361

Phone Number

615-252-6361

Fax Number

NOTE: **Section A** is intended to give the applicant an opportunity to describe the project. **Section B** addresses how the project relates to the criteria for a Certificate of Need by addressing: Need, Economic Feasibility, Contribution to the Orderly Development of Health Care, and Quality Measures.

Please answer all questions on 8 1/2" X 11" white paper, clearly typed and spaced, single or double sided, in order and sequentially numbered. In answering, please type the question and the response. All questions must be answered. If an item does not apply, please indicate "N/A" (not applicable). Attach appropriate documentation as an Appendix at the end of the application and reference the applicable Item Number on the attachment, i.e., Attachment A.1, A.2, etc. The last page of the application should be a completed signed and notarized affidavit.

January 30, 2018**9:55 A.M.**

1. The population-based estimate of the total need for ICF/MR facilities is .032 percent of the general population. This estimate is based on the estimate for all mental retardation of 1 percent. Of the 1 percent estimate, 3.2 percent of those are estimated to meet level 1 criteria and be appropriate for ICF/MR services.

Response: The 2017 population of Shelby County, Tennessee is estimated to be 964,804, with 64 ICF/IID beds currently in the county. Using the need-based estimate of .032%, the need in Shelby County is 309 beds.

This project, however, does not involve the development of new ICF/IID beds. Therefore, the population-based needs analysis in the Guidelines for Growth is inapplicable. The beds which are being used by this project serve only to replace beds already in existence at the Applicant's current facility. Thus, no net increase in the number of ICF/IID beds is intended by this application.

2. The estimate for total need should be adjusted by the existent ICF/MR beds operating in the area as counted by the Department of Health, Department of Mental Health and Developmental Disabilities, and the Division of Mental Retardation Services in the Joint Annual Reports.

Response: The total estimated need minus the existing beds leaves a need of 245 beds.

B. Service Area

1. The geographic service area should be reasonable and based on an optimal balance between population density and service proximity.

Response: The Residents in the Applicant's facility who will be relocated are currently in Shelby County, so it is less disruptive to the Residents as well as their families and conservators if they remain in the Shelby County area.

Given the anticipated acuity level of individuals at the facility, and the recent changes by CMS regarding Home and Community-Based Services (HCBS) as to whether such individuals receive services in their own home or in the community, transportation to a day center may not occur on a regular basis. If such day center services are needed Open Arms has an existing day treatment center in Memphis which serves Open Arms' Shelby County facilities and which will continue to do so upon completion of the proposed facility if this application is approved.

Please find below a chart of distances from the proposed location to services within the area.

Shelby County (8949 Macon Road, Cordova, TN 38018)			
Service	Closest Location	Driving Distance	Driving Time
Nearest Incorporated City	Cordova, TN	Facility is within city limits.	Not applicable.

January 30, 2018**9:55 A.M.**

Response: ICF/IID services in Tennessee are funded by TennCare and the Applicant anticipates that TennCare funds will be responsible for 96% of the facility's revenue. The remaining 4% will come from residents' SSI benefits.

D. Relationship to Existing Similar Services in the Area

1. *The area's trends in occupancy and utilization of similar services should be considered.*

Response: The Applicant operates all 64 ICF/IID beds currently licensed in Shelby County in eight (8) facilities which each contain 8 licensed beds.

These beds are at full occupancy. A chart of the occupancy of ICF/IID's in the county for the past three years follows.

ICF/IID Utilization, Shelby County

	2013	2013	2013	2014	2014	2014	2015	2015	2015
Facility/Address	Lic. Beds	ADC	% Occup.	Lic. Beds	ADC	% Occup.	Lic. Beds	ADC	% Occup.
Allendale Drive Home 1	8	8	99.5%	8	8	99.5%	8	8	99.5%
Allendale Drive Home 2	8	8	99.5%	8	8	99.5%	8	8	99.5%
Benjestown Home 1	8	8	99.5%	8	8	99.5%	8	8	99.5%
Benjestown Home 2	8	8	99.5%	8	8	99.5%	8	8	99.5%
Greendale Home 1	8	8	99.5%	8	8	99.5%	8	8	99.5%
Greendale Home 2	8	8	99.5%	8	8	99.5%	8	8	99.5%
Raleigh Millington Home 1	8	8	99.5%	8	8	99.5%	8	8	99.5%
Raleigh Millington Home 2	8	8	99.5%	8	8	99.5%	8	8	100.0%
TOTAL	64	64	99.5%	64	64	99.4%	64	64	99.5%

Source: Open Arms internal records

2. *Accessibility to specific special needs groups should be an important factor.*

Response: As an ICF/IID home, this facility will be accessible to individuals living with intellectual or developmental disabilities. Its bathroom and bedroom facilities and nursing station are specifically designed to assist medically fragile residents with severe intellectual or developmental disabilities.

January 30, 2018

9:55 A.M.

- b) Using current and projected population data from the Department of Health, the most recent enrollee data from the Bureau of TennCare, and demographic information from the US Census Bureau, complete the following table and include data for each county in your proposed service area.

Projected Population Data: <http://www.tn.gov/health/article/statistics-population>

TennCare Enrollment Data: <http://www.tn.gov/tenncare/topic/enrollment-data>

Census Bureau Fact Finder: <http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

Demographic Variable/ Geographic Area	Department of Health/Health Statistics							Bureau of the Census				TennCare	
	2018 Total Population-	2022 Total Population	Total Population-% Change	*Target Population- Current Year	*Target Population- Project Year	*Target Population- % Change	Target Population Projected Year as % of Total	Median Age	Median Household Income	Person Below Poverty Level	Person Below Poverty Level as %Of Total	TennCare Enrollees	TennCare Enrollees as % of Total Population
Shelby County	970,212	991,879	2.2%	310.5	317.4	2.2%	.00032%	35.4	\$46,224	188,790	20.2%	255,041	25.6%
Service Area Total	970,212	991,879	2.2%	310.5	317.4	2.2%	.00032%	35.4	\$46,224	188,790	20.2%	255,041	25.6%
State of TN Total	6,962,031	7,250,604	4.1%	2,227.8	2,320.2	4.1%	.00032%	38.7	\$45,219	1,050,889	15.8%	1,461,299	20.7%

* *Target Population is population that project will primarily serve. For example, nursing home, home health agency, hospice agency projects typically primarily serve the Age 65+ population; projects for child and adolescent psychiatric services will serve the Population Ages 0-19. Projected Year is defined in select service-specific criteria and standards. If Projected Year is not defined, default should be four years from current year, e.g., if Current Year is 2016, then default Projected Year is 2020.*

Response: The target population is .032% of the general population.

- 2) Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

Response: The Residents of the facility are all individuals with severe intellectual or developmental disabilities requiring institutional care. The Applicant's facility will be specially designed to meet residents' physical and medical needs, such as accessible entry doors, hallways, bathrooms, transportation, and ADA-compliant sink/vanity and toilets. Other services that will be provided include assistance meeting hygiene requirements, specialized dietary services, physical therapy, and activities of daily living, including physical, occupational, and behavioral therapies. The overall goal is to provide residents with an environment and services that will let them live dignified and meaningful lives in a community setting.

January 30, 2018

9:55 A.M.

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

Michael D. Brent, being first duly sworn, says that I am the attorney for the manager of applicant named in this Certificate of Need application, or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

By: _____

Michael D. Brent

Sworn to and subscribed before me, a Notary Public, this the 29th day of January, 2018, witness my hand at office in the County of Davidson, State of Tennessee.

My commission expires

9-7

